

API NUMBER: 015 22500 C

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

Approval Date: 10/29/2020
Expiration Date: 04/29/2022

Directional Hole Oil & Gas

PERMIT TO RECOMPLETE

WELL LOCATION: Section: 32 Township: 6N Range: 9W County: CADDO

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2460 1521

Lease Name: MERCER FOR MAYOR Well No: 1-32 Well will be 1521 feet from nearest unit or lease boundary.
Operator Name: TERRITORY RESOURCES LLC Telephone: 4055331300; 4055331300 OTC/OCC Number: 22388 0

TERRITORY RESOURCES LLC
1511 S SANGRE RD
STILLWATER, OK 74074

GERALD W MYERS
9131 NW 100TH
YUKON OK 73099

Formation(s) (Permit Valid for Listed Formations Only):

| | Name | Code | Depth |
|---|--------|---------|-------|
| 1 | CULP | 405CULP | 9900 |
| 2 | MELTON | 405MLTN | 10500 |

Spacing Orders: 292300

Location Exception Orders: 427346
715089

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 15788 Ground Elevation: 1409

Surface Casing: 1008 IP

Depth to base of Treatable Water-Bearing FM: 830

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

DIRECTIONAL HOLE 1

Section: 32 Township: 6N Range: 9W Meridian: IM
County: CADDO
Spot Location of End Point: SW NE SW SE
Feet From: SOUTH 1/4 Section Line: 828
Feet From: WEST 1/4 Section Line: 931

Measured Total Depth: 15788

True Vertical Depth: 15436

End Point Location from
Lease, Unit, or Property Line: 828

NOTES:

| Category | Description |
|--|---|
| CHANGE OF OPERATOR - 715089 (202000989) | 10/29/2020 - GC2 - 32-6N-9W X427346 CHANGE OF OPERATOR TO TERRITORY RESOURCES, LLC 10-29-2020 |

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1. Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

| | |
|-----------------------------|---|
| HYDRAULIC FRACTURING | <p>10/16/2020 - GC2 - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p> |
| LOCATION EXCEPTION - 427346 | <p>5/12/2020 - GC2 - (F.O.) 32-6N-9W X292300 CULP, MLTN, OTHERS SHL 1521' FWL, 2460' FSL BHL 1766' FEL, 828' FSL AVALON EXPLORATION, INC*** 10-15-1998</p> <p>***S/B TERRITORY RESOURCES, LLC</p> |
| SPACING - 292300 | <p>3/25/2020 - GC2 - (640) 32-6N-9W VAC OTHERS EXT OTHER EXT 113370/269588 CULP, MLTN, OTHERS</p> |