

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

API NUMBER: 117 23576

Approval Date: 01/23/2014  
Expiration Date: 07/23/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 23N Rge: 3E County: PAWNEE  
SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 170 875

Lease Name: **OLDHAM** Well No: **8** Well will be **170** feet from nearest unit or lease boundary.  
Operator Name: **TERRITORY RESOURCES LLC** Telephone: 4055331300 OTC/OCC Number: 22388 0

TERRITORY RESOURCES LLC  
1511 S SANGRE RD  
STILLWATER, OK 74074-1869

GALLEGOS LAND & CATTLE, LLC  
1511 S. SANGRE ROAD  
STILLWATER OK 74074

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

	Name	Depth	Name	Depth
1	RED FORK	3500	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 47575

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201306186

Special Orders:

Total Depth: 3700

Ground Elevation: 929

**Surface Casing: 130**

Depth to base of Treatable Water-Bearing FM: 80

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

**PIT 1 INFORMATION**

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

**Category of Pit: C**

**Liner not required for Category: C**

Pit Location is BED AQUIFER

Pit Location Formation: OSCAR

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 13-24329

H. CLOSED SYSTEM=STEEL PITS REQUIRED - ARKANSAS RIVER

**Notes:**

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

117 23576 OLDHAM 8

Category	Description
FRAC FOCUS	1/14/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
PENDING CD - 201306186	1/14/2014 - G30 - SW4 24-23N-3E X47575 RDFK 170 FSL, 875 FEL** NO OP. NAMED REC 10/22/13 (MCKEOWN)
REPLACEMENT WELL	**CORRECTED TO 875 FWL IN HEARING PER OPERATOR 1/14/2014 - G30 - OLDHAM #4 (API 117-01085) TO BE PLUGGED UPON COMPLETION OF OLDHAM #3, SEE AFFIDAVIT
SPACING - 47575	1/14/2014 - G30 - (40) SW4 24-23N-3E EST RDFK

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