

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

API NUMBER: 071 24811

Approval Date: 10/02/2014
Expiration Date: 04/02/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 25N Rge: 2W County: KAY
SPOT LOCATION: N2 NE SW NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1020 990

Lease Name: THOMAS MISSISSIPPI CHAT UNIT Well No: 4-8 Well will be 330 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

ROBYN L. (KREGER) NICKERSON
13114 DREIA
MARYVILLE TN 37801

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

Name	Depth	Name	Depth
1 MISSISSIPPI	4109	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 64834

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4400 Ground Elevation: 970 **Surface Casing: 510** Depth to base of Treatable Water-Bearing FM: 460

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

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 2500 Average: 1800

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28459
H. CLOSED SYSTEM=STEEL PITS (REQUIRED - ARKANSAS RIVER, SALT FORK)

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.

071 24811 THOMAS MISSISSIPPI CHAT
UNIT 4-8

Category	Description
FRAC FOCUS	9/17/2014 - 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 HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING - 64834	10/1/2014 - G72 - (UNIT) APPROXIMATELY N2 N2 (ABOVE THE RIVER) 9-25N-2W EST THOMAS MISSISSIPPI CHAT UNIT FOR MSSCT

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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.

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