

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

API NUMBER: 103 24400

Approval Date: 08/08/2012
Expiration Date: 02/08/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 24N Rge: 1E

County: NOBLE

SPOT LOCATION: NE NW NE NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2480 1735

Lease Name: PHENOM

Well No: 1-14H

Well will be 160 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

WILBUR & MAUREEN INGMIRE
5550 COUNTY ROAD 160
MARLAND OK 74644

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	4292	6
2			7
3			8
4			9
5			10

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201204128

Special Orders:

Total Depth: 8667

Ground Elevation: 962

Surface Casing: 300

Depth to base of Treatable Water-Bearing FM: 250

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 2500 Average: 2200

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: WELLINGTON

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-20902
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 14 Twp 24N Rge 1E County NOBLE

Spot Location of End Point: NE SW NE NW

Feet From: SOUTH 1/4 Section Line: 1960

Feet From: WEST 1/4 Section Line: 1779

Depth of Deviation: 3524

Radius of Turn: 796

Direction: 1

Total Length: 3892

Measured Total Depth: 8667

True Vertical Depth: 4320

End Point Location from Lease,
Unit, or Property Line: 680

Notes:

Category	Description
PENDING CD - 201204128	7/31/2012 - G75 - (640)(HOR) 14-24N-1E EST MSSP, OTHERS POE TO BHL NCT 660' FB (SUPERSEDE SP. ORDER # 220778 MSSCT) REC 8-7-2012 (MCKEOWN)
POINT OF ENTRY	8/1/2012 - G75 - LEGAL PER OPERATOR