

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

API NUMBER: 071 24649 A

Approval Date: 03/08/2013
Expiration Date: 09/08/2013

Straight Hole Oil & Gas

Amend reason: ADDITIONAL FORMATIONS

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 25N Rge: 2W

County: KAY

SPOT LOCATION: SE NE SW SE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 690 1155

Lease Name: SCHOOL

Well No: 1-16

Well will be 165 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

COMMISSIONER OF THE LAND OFFICE
120 N. ROBINSON, STE. 1000W
OKLAHOMA CITY OK 73102

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

Name	Depth	Name	Depth
1 SAMS	1790	6 HOGSHOOTER	3644
2 HOOVER	2179	7 MISSISSIPPIAN	4137
3 ENDICOTT	2541	8 VIOLA	4263
4 PERRY	3115	9 WILCOX	4292
5 COTTAGE GROVE	3443	10	

Spacing Orders: 547533

Location Exception Orders: 611120

Increased Density Orders:

Pending CD Numbers: 201308097

Special Orders:

Total Depth: 4300

Ground Elevation: 1032

Surface Casing: 440

Depth to base of Treatable Water-Bearing FM: 390

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: 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: WELLINGTON

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-22480

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 24649 SCHOOL 1-16

Category	Description
LOCATION EXCEPTION - 611120	12/10/2013 - G30 - W2 SE4 16-25N-2W X 165:10-1-21 SAMS, HOVR, ENDC, PRRY, CGGV, HGSR, MSSP, OTHERS 690 FSL, 165 FEL W2 SE4 TERRITORY RESOURCES, LLC 5/3/13
PENDING CD - 201308097	12/10/2013 - G30 - W2 SE4 16-25N-2W X165:10-1-21 VIOL, WLCX 690 FSL, 165 FEL NO OP. NAMED REC 12/31/13 (MCKEOWN)
SPACING	2/21/2013 - G30 - FORMATIONS UNSPACED, 80 ACRE LEASE (W2 SE4)

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Office of the Conservation Division as to when Surface Casing will be run.