

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

API NUMBER: 069 20165

Approval Date: 10/21/2014
Expiration Date: 04/21/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 4S Rge: 4E County: JOHNSTON
SPOT LOCATION: NE NW NW NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2462 545

Lease Name: CHANDLER Well No: 8-6H Well will be 178 feet from nearest unit or lease boundary.
Operator Name: BNK PETROLEUM (US) INC Telephone: 8054843613 OTC/OCC Number: 21948 0

BNK PETROLEUM (US) INC
760 PASEO CAMARILLO STE 350
CAMARILLO, CA 93010-0763

WELDON BARNES & DEBORAH BARNES
15702 W. HARVEY RD.
MANNSVILLE OK 73447

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

Name	Depth	Name	Depth
1 CANEY	9600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 554189

Location Exception Orders: 625807

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15500

Ground Elevation: 735

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 400

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: 8000 Average: 5000

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

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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

F. Haul to Commercial soil farming facility: Sec. 28 Twn. 5S Rng. 3W Cnty. 19 Order No: 533041

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 350000 Average: 250000

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

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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

HORIZONTAL HOLE 1

Sec 08 Twp 4S Rge 4E County JOHNSTON

Spot Location of End Point: NW NE NE NE

Feet From: SOUTH 1/4 Section Line: 2639

Feet From: WEST 1/4 Section Line: 2290

Depth of Deviation: 9000

Radius of Turn: 800

Direction: 340

Total Length: 5243

Measured Total Depth: 15500

True Vertical Depth: 9800

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category

Description

LOCATION EXCEPTION - 625807

10/16/2014 - G75 - (I.O.)
X554189 CNEY
SHL NCT 400 FNL, NCT 600 FEL 17-4S-4E **
COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 330 FEL 8-4S-4E
BHL NCT 0 FNL, NCT 330 FEL 8-4S-4E
BNK PETRO. (US) INC.
5-22-2014

** ITD HAS SHL AS 2462 FSL, 545 FWL 16-4S-4E; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

MEMO

8/7/2014 - G76 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PUBLIC WATER SUPPLY WELL

8/7/2014 - G76 - MANNVILLE RWD #2, 1 PWS/WPA, SE4 16-4S-4E

SPACING - 554189

10/16/2014 - G75 - (640) 8-4S-4E
EXT 549273 CNEY, OTHERS