

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

API NUMBER: 137 27531

Approval Date: 02/23/2018  
Expiration Date: 08/23/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 3S Rge: 5W County: STEPHENS  
SPOT LOCATION:  NW  NW  SE  NE FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 1155 1435

Lease Name: CLEARY-NULL Well No: 5-15 Well will be 495 feet from nearest unit or lease boundary.  
Operator Name: BANNER OIL & GAS LLC Telephone: 4053600017 OTC/OCC Number: 22792 0

BANNER OIL & GAS LLC  
PO BOX 722726  
NORMAN, OK 73070-9069

DAVID SPURGIN  
P.O. BOX 14  
VELMA OK 73491

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

Name	Depth	Name	Depth
1 LOCO	800	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 58229

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1000 Ground Elevation: 890 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 40

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

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

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 3000 Average: 2000

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: OSCAR

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL REQUIRED

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.

Category	Description
ALTERNATE CASING	1/12/2018 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH TO PROTECT SHALLOW SANDS; AND, 2) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4)(C)
HYDRAULIC FRACTURING	1/12/2018 - G71 - OCC 165:10-3-10 REQUIRES:  1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;  2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: <a href="http://OCCWEB.COM/OG/OGFORMS.HTML">OCCWEB.COM/OG/OGFORMS.HTML</a> ; AND,  3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a>
SPACING - 58229	1/19/2018 - G75 - (UNIT) N2 NE4, NW4 SE4 NE4, NE4 SW4 NE4, W2 SW4 NE4 15-3S-5W EST CLEARY LOCO SAND UNIT FOR LOCO