

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

API NUMBER: 069 20186

Approval Date: 01/31/2018

Expiration Date: 07/31/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 4S Rge: 4E

County: JOHNSTON

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 981 223

Lease Name: WLC

Well No: 14-1H

Well will be 223 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

WASHITA LAND & CATTLE, LLC
P.O. BOX 1754
MANNSVILLE OK 73402

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

Name	Depth	Name	Depth
1 CANEY	8538	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 554661

Location Exception Orders: 671764

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14120

Ground Elevation: 675

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 100

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? 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

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

PERMIT NO: 18-33837

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: 300000 Average: 200000

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

HORIZONTAL HOLE 1

Sec 14 Twp 4S Rge 4E County JOHNSTON

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 360

Depth of Deviation: 7921

Radius of Turn: 573

Direction: 357

Total Length: 5299

Measured Total Depth: 14120

True Vertical Depth: 8538

End Point Location from Lease,
Unit, or Property Line: 0

Notes:

Category

Description

DEEP SURFACE CASING

1/30/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

1/29/2018 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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: FRACFOCUS.ORG

LOCATION EXCEPTION - 671764

1/31/2018 - G57 - (I.O.) 14-4S-4E
X554661 CNEY
SHL (24-4S-4E) NCT 450' FNL, NCT 550' FEL **
COMPL. INT. (14-4S-4E) NCT 165' FSL, NCT 165' FNL, NCT 330' FEL
NO OP. NAMED
12-18-2017

**S/B SHL (24-4S-4E) 981' FNL, 223' FWL; WILL BE CORRECTED AT HEARING FOR FINAL ORDER PER OPERATOR

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.

069 20186 WLC 14-1H

Category	Description
MEMO	1/30/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS REQUIRED (WASHITA RIVER), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 554661	1/31/2018 - G57 - (640) 14-4S-4E VAC OTHERS EST OTHERS EXT 547807 CNEY, OTHERS