

API NUMBER: 137 27677

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

Approval Date: 04/04/2022

Expiration Date: 10/04/2023

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 15 Township: 3S Range: 5W County: STEPHENS

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 2318 1082

Lease Name: HEFNER

Well No: 701

Well will be 898 feet from nearest unit or lease boundary.

Operator Name: BANNER OIL & GAS LLC

Telephone: 4058822456

OTC/OCC Number: 22792 0

BANNER OIL & GAS LLC
10011 S PENNSYLVANIA AVE
OKLAHOMA CITY, OK 73159-6905

DAVID SPURGIN
PO BOX 14
VELMA OK 73491

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

Name	Code	Depth
1 LOCO	405LOCO	750

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 1250

Ground Elevation: 877

Surface Casing: 150

Depth to base of Treatable Water-Bearing FM: 70

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

Approved Method for disposal of Drilling Fluids:

F. Haul to Commercial soil farming facility	Sec. 2 Twn. 6S Rng. 4W Cnty. 67 Order No: 587652
H. (Other)	CLOSED SYSTEM=STEEL PITS (REQUIRED - NEGRO CREEK)

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

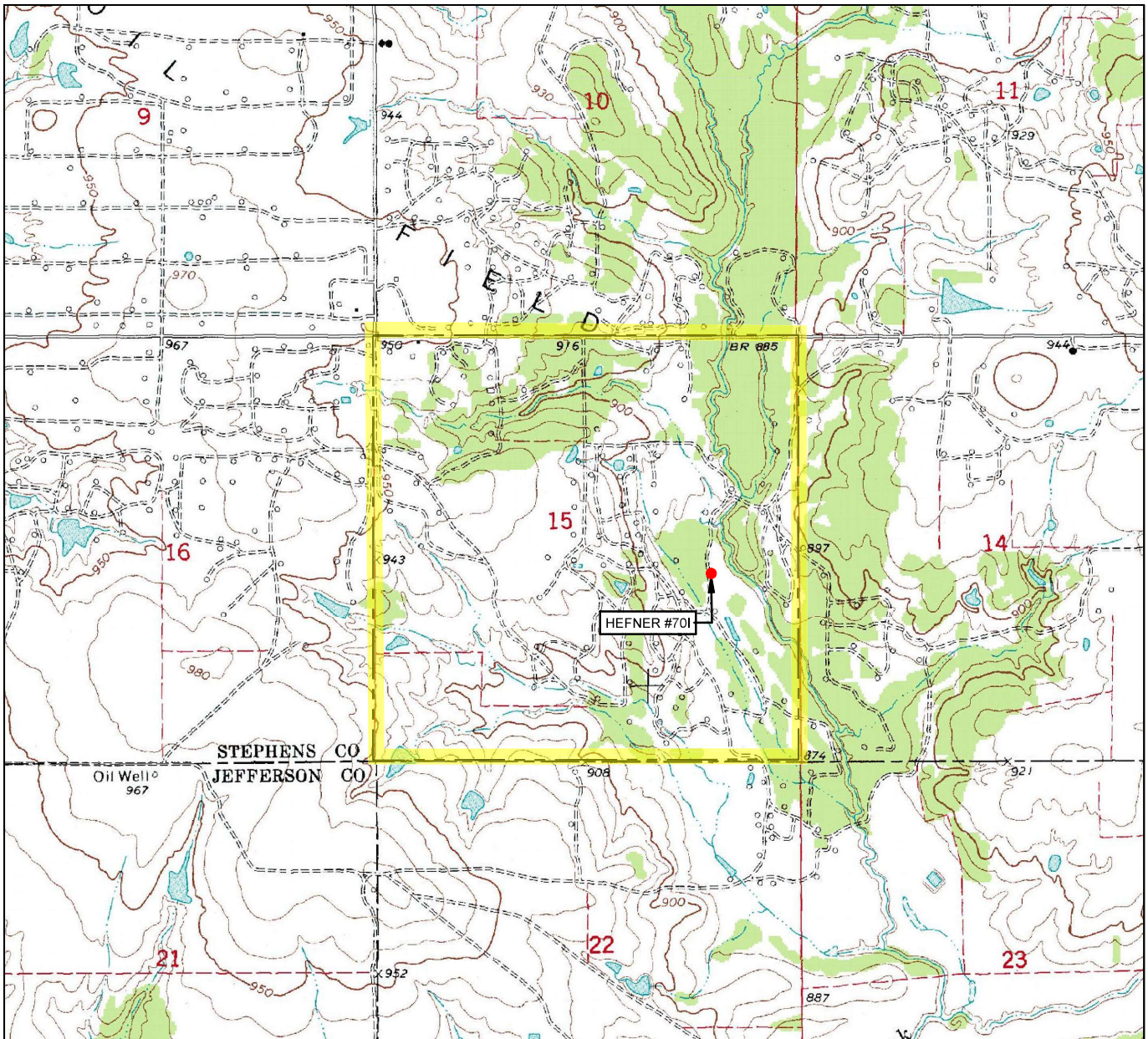
Pit Location Formation: OSCAR

NOTES:

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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
HYDRAULIC FRACTURING	<p>[4/1/2022 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p>
SPACING	<p>[4/4/2022 - G56] - LOCO UNSPACED; 150-ACRE LEASE (E2 SE4, E2 NW4 SE4, E2 SW4 SE4, S2 SE4 NE4, SE4 SW4, NE4)</p>

LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO. _____ HEFNER #701

SECTION 15 TWP 3S RGE 5W MERIDIAN I.M.

COUNTY STEPHENS STATE OKLAHOMA

DESCRIPTION 2318' FSL & 1082' FEL

ELEVATION 877'



SCALE: 1" = 2000'
0' 1000' 2000'

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY BANNER OIL & GAS, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE OKLAHOMA STATE PLANE COORDINATE SYSTEM, SOUTH ZONE OF THE NORTH AMERICAN DATUM 1983, U.S. SURVEY FEET AND THE NORTH AMERICAN VERTICAL DATUM OF 1988.

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134

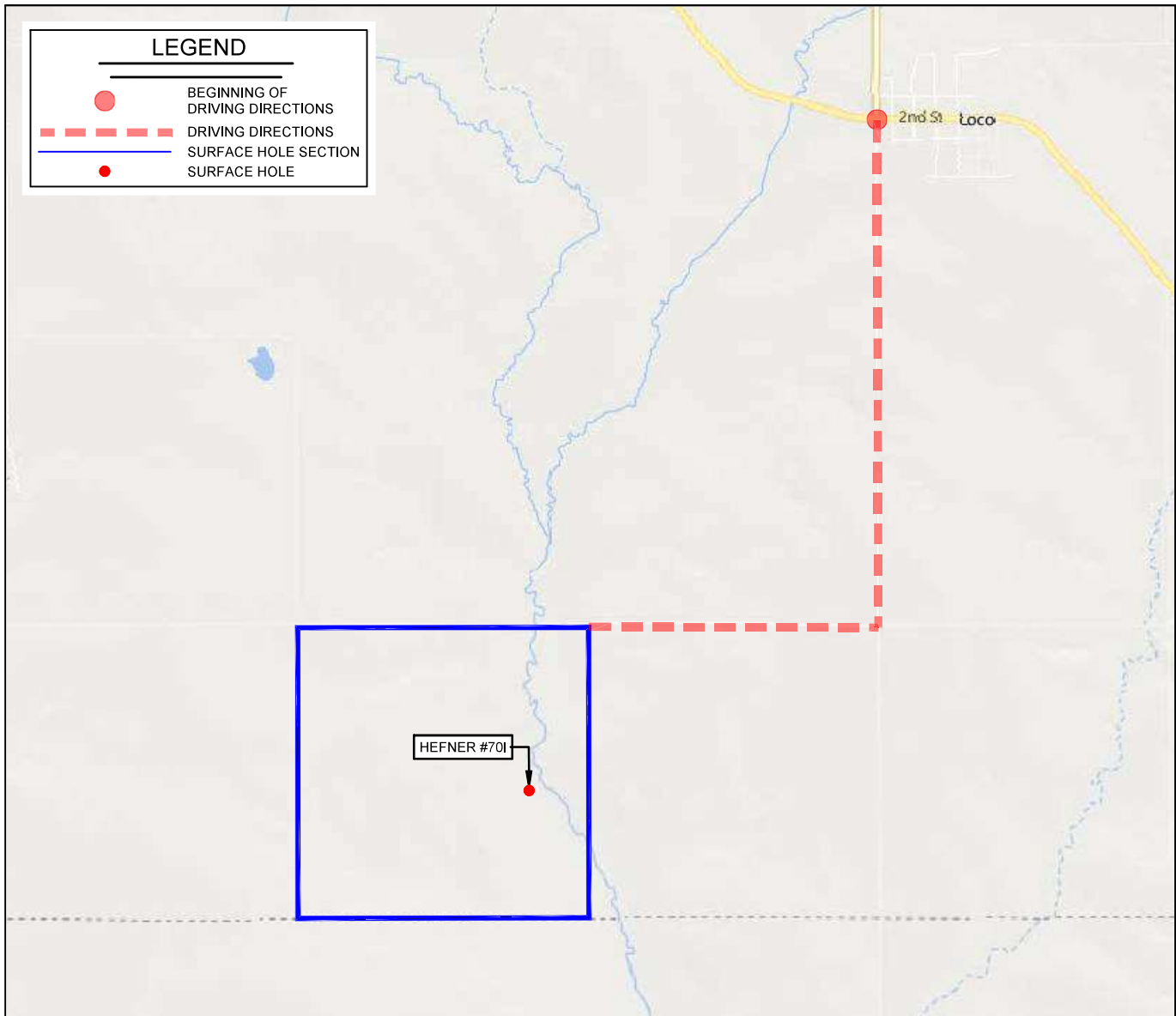
TELEPHONE: (405) 843-4847 OR (800) 654-3219

FAX: (405) 843-0975

CERTIFICATE OF AUTHORIZATION NO. 1292 LS

WWW.TOPOGRAPHIC.COM

VICINITY MAP



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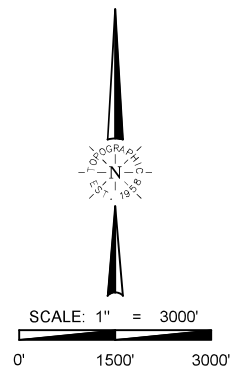
DESCRIPTION 2318' FSL & 1082' FEL

DISTANCE & DIRECTION

FROM LOCO, OK. GO ± 1.75 MI. SOUTH ON N2980 RD., THEN GO ± 1.0 MI. WEST ON E1870 RD. TO THE NORTHEAST CORNER OF SECTION 15-T3S-R5W.

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