

API NUMBER: 069 20199

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

Approval Date: 09/12/2022  
Expiration Date: 03/12/2024

Horizontal Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 08 Township: 4S Range: 4E County: JOHNSTON

SPOT LOCATION: ☐ SW ☐ NW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 692 1517

Lease Name: EMERY Well No: 17-2H Well will be 692 feet from nearest unit or lease boundary.  
Operator Name: BNK PETROLEUM (US) INC Telephone: 8054843613 OTC/OCC Number: 21948 0

BNK PETROLEUM (US) INC  
3623 OLD CONEJO RD #207  
NEWBURY PARK, CA 91320-0800

J.D. CHANDLER & KAREN CHANDLER  
16101 W. HARVEY ROAD  
MANSSVILLE OK 73447

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

Name	Code	Depth
1 CANEY	354CNEY	9872

Spacing Orders: 556997

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202202670  
202202669

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 16087 Ground Elevation: 784

Surface Casing: 450

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 22-38489  
H. (Other) SEE MEMO

**PIT 1 INFORMATION**

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

**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

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.

**HORIZONTAL HOLE 1**

Section: 17	Township: 4S	Range: 4E	Meridian: IM	Total Length: 5280
County: JOHNSTON				Measured Total Depth: 16087
Spot Location of End Point: S2 SE SE SW				True Vertical Depth: 10726
Feet From: <b>SOUTH</b>		1/4 Section Line: 1		End Point Location from
Feet From: <b>WEST</b>		1/4 Section Line: 2310		Lease, Unit, or Property Line: 1

**NOTES:**

Category	Description
HYDRAULIC FRACTURING	<p>[8/18/2022 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
MEMO	[8/18/2022 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - WASHITA RIVER), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 2022-002669	[9/12/2022 - GC2] - 17-4S-4E X556997 CNEY 1 WELL NO OP NAMED REC. 8/30/2022 (PRESLAR)
PENDING CD - 2022-002670	[9/12/2022 - GC2] - (I.O.) 17-4S-4E X556997 CNEY SHL NCT 700' FSL, NCT 1320' FWL COMPL. NCT 165' FNL, NCT 165' FSL, NCT 1320 NO OP NAMED REC. 8/30/2022 (PRESLAR)
SPACING - 556997	[9/12/2022 - GC2] - (640) 17-4S-4E EXT 549639 CNEY, OTHERS