

API NUMBER: 137 27630

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

Approval Date: 07/20/2021
Expiration Date: 01/20/2023

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 10 Township: 3S Range: 5W County: STEPHENS

SPOT LOCATION: ☐ NE ☐ SW ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 495 2150

Lease Name: VAN ALLEN Well No: 35 Well will be 165 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

ESTATE OF SUZANNE A MCGINLEY / JAMES M MCGINLEY
1603 WILLOW LANE
EULESS TX 76039

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

Name	Code	Depth
1 HOXBAR	405HXBR	700

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 1350 Ground Elevation: 921

Surface Casing: 120

Depth to base of Treatable Water-Bearing FM: 40

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: WELLINGTON

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>[7/12/2021 - 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	[7/20/2021 - G56] - HXBR UNSPACED; 90-ACRE LEASE (S2 NE SE, SE SE, E2 SW SE, SW SW SE)