API NUMBER: 069 20193 A

Horizontal Hole Oil & Gas

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

Approval Date: 01/24/2023
Expiration Date: 07/24/2024

PERMIT TO DRILL

WELL LOCATION: Section: 05 Township: 4S Range: 4E County: JOHNSTON

SPOT LOCATION: SW SW SE SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **258** **1573**

Lease Name: **BARNES** **Well No:** **8-1H** **Well will be** **258** **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

CARL DOUGLAS BARNES
20214 TWO SISTERS RD
MADILL OK 73446

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

	Name	Code	Depth
1	CANEY	354CNEY	9150

Spacing Orders: 554189

Location Exception Orders: 691327
722886

Increased Density Orders: No Density

Pending CD Numbers: 202300060

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 14584 Ground Elevation: 687 **Surface Casing: 300** Depth to base of Treatable Water-Bearing FM: 180

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: 23-38829
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: 8	Township: 4S	Range: 4E	Meridian: IM
County: JOHNSTON			
Spot Location of End Point: SE	SW	SW	SW
Feet From: **SOUTH**	1/4 Section Line: 1		
Feet From: **WEST**	1/4 Section Line: 360		

Total Length:	5649
Measured Total Depth:	14584
True Vertical Depth:	10074
End Point Location from Lease,Unit, or Property Line:	1

NOTES:

Category	Description
HYDRAULIC FRACTURING	[1/23/2023 - GC2] - OCC 165:10-3-10 REQUIRES: 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; 2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; AND, 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
LOCATION EXCEPTION - 691327	1/23/2023 - G56 - (I.O.) 8-4S-4E X554189 CNEY COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 330' FWL BNK PETROLEUM (US) INC. 2/13/2019
LOCATION EXCEPTION - 722886	[1/23/2023 - G56] - EXT OF TIME FOR ORDER # 691327
MEMO	[1/23/2023 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - WASHITA RIVER), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202300060	[1/23/2023 - G56] - (E.O.) 8-4S-4E X554189 CNEY 1 WELL NO OP NAMED REC 1/17/2023 (NORRIS)
SPACING - 554189	1/23/2023 - G56 - (640) 8-4S-4E EXT OTHER EST CNEY, OTHERS

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.