

API NUMBER: 069 20194 A

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

Horizontal Hole Oil & Gas

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 1593

Lease Name: BARNES Well No: 8-2H 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	9088

Spacing Orders: 554189

Location Exception Orders: 691328
722887

Increased Density Orders: No Density

Pending CD Numbers: 202300061

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 14490 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 Total Length: 5682
 County: JOHNSTON Measured Total Depth: 14490
 Spot Location of End Point: SE SE SW SW True Vertical Depth: 10012
 Feet From: **SOUTH** 1/4 Section Line: 1 End Point Location from
 Feet From: **WEST** 1/4 Section Line: 1020 Lease,Unit, or Property Line: 1

NOTES:

Category	Description
HYDRAULIC FRACTURING	<p>[1/23/2023 - 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 FRACTURING OPERATIONS. FORM 6000NH SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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>
LOCATION EXCEPTION - 691328	<p>1/24/2023 - G56 - (I.O.) 8-4S-4E X554189 CNEY COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 980' FWL BNK PETROLEUM (US) INC. 2/13/2019</p>
LOCATION EXCEPTION - 722887	<p>[1/24/2023 - G56] - EXT OF TIME FOR ORDER # 691328</p>
MEMO	<p>[1/23/2023 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - WASHITA RIVER), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
PENDING CD - 202300061	<p>[1/24/2023 - G56] - (E.O.) 8-4S-4E X554189 CNEY 1 WELL NO OP NAMED REC 1/17/2023 (NORRIS)</p>
SPACING - 554189	<p>1/24/2023 - G56 - (640) 8-4S-4E EXT OTHER EST CNEY, OTHERS</p>