

API NUMBER: 069 20202

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

Approval Date: 06/05/2023

Expiration Date: 12/05/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 06 Township: 4S Range: 4E County: JOHNSTON

SPOT LOCATION: SE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 240 2250

Lease Name: BARNES Well No: 7-5H Well will be 240 feet from nearest unit or lease boundary.

Operator Name: BNK PETROLEUM (US) INC Telephone: 8054843613 OTC/OCC Number: 21948 0

BNK PETROLEUM (US) INC

THOUSAND OAKS, CA 91320-1272

ANITA J. COLLINS

P.O. BOX 266

MANNSVILLE OK 73447

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

| Name | Code | Depth |
|---------|---------|-------|
| 1 CANEY | 354CNEY | 10886 |

Spacing Orders: 549639

Location Exception Orders: 734824

Increased Density Orders: 734797

Pending CD Numbers: No Pending

Working interest owners' notified: YES

Special Orders: No Special

Total Depth: 16042

Ground Elevation: 714

Surface Casing: 110

Depth to base of Treatable Water-Bearing FM: 60

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: 23-39046

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: DEESE

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: DEESE

HORIZONTAL HOLE 1

Section: 7 Township: 4S Range: 4E Meridian: IM

Total Length: 5280

County: JOHNSTON

Measured Total Depth: 16042

Spot Location of End Point: SE SW SW SW

True Vertical Depth: 10886

Feet From: SOUTH 1/4 Section Line: 1

End Point Location from

Feet From: WEST 1/4 Section Line: 360

Lease, Unit, or Property Line: 1

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.

| NOTES: | |
|---|---|
| Category | Description |
| HYDRAULIC FRACTURING | <p>[6/1/2023 - GE7] - 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> |
| INCREASED DENSITY - 734797 | <p>[6/2/2023 - GB7] - 7-4S-4E X549639 CNEY 1 WELL BNK PETROLEUM (US) INC 06/01/2023</p> |
| LOCATION EXCEPTION - 734824 (CD2023-001418) | <p>[6/2/2023 - GB7] - (I.O.) 7-4S-4E X549639 CNEY COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 360' FWL NO OP NAMED 06/02/2023</p> |
| MEMO | <p>[6/1/2023 - GE7] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p> |
| SPACING - 549639 | <p>[6/2/2023 - GB7] - (640) 7-4S-4E EST OTHER EXT 142014 CNEY, OTHERS</p> |