

10-8
BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: BNK PETROLEUM (US) INC.)
RELIEF SOUGHT: WELL LOCATION EXCEPTION -) CAUSE CD NO. 200 705976
DANIEL #10-1H)
LEGAL DESCRIPTION: SECTION 10, TOWNSHIP 4 SOUTH,)
RANGE 4 EAST, JOHNSTON)
COUNTY, OKLAHOMA)

FILED
SEP 07 2007

COURT CLERK'S OFFICE — OKC
CORPORATION COMMISSION
OF OKLAHOMA

APPLICATION

COMES NOW the Applicant and for its Application shows the Corporation Commission of Oklahoma as follows:

1. **PARTIES:** Applicant is BNK Petroleum (US) Inc., 601 Daily Drive, Suite 210, Camarillo, California 93010, the owner of the right to drill a well to the common sources of supply named below underlying the lands described in the caption hereof by virtue of valid and subsisting oil and gas leases owned by Applicant covering portions of said land. The name and address of each party entitled to notice of this Application is shown on Exhibit "A," attached hereto and made a part hereof.

2. **ALLEGATION OF FACTS:**

(A) The land described in Paragraph 4 hereof will be established as drilling and spacing units the common sources of supply named in said Paragraph 4 by an order to be entered in a companion spacing case. To require the drilling of the wells covered by this application at the location to be prescribed in the order listed in Paragraph 4 would be inequitable or unreasonable. That to prevent waste and protect correlative rights, the Commission should prescribe another well location for such drilling and spacing unit and common sources of supply.

(B) That the proposed well, at the location requested by Applicant, is necessary to effectively and efficiently drain a portion of the common sources of supply (reservoir) covered by the drilling and spacing unit comprised of the land set out in Paragraph 4 hereof, which cannot be adequately and efficiently drained by a well drilled at the permitted well location prescribed in the orders listed in said Paragraph 4.

3. **LEGAL AUTHORITY:** Title 52, Section 87.1, O.S.

4. **RELIEF SOUGHT:** Applicant requests that the Commission enter an order amending the order to be entered in a companion spacing case or cases to permit a well for the Springer, Goddard, Caney, Sycamore, Woodford, Hunton, Sylvan and Viola common sources of supply at a surface location and at the entry to the named common sources of supply no closer than 150 feet from the South line and no closer than 1,320 feet to the East line of Section 10, Township 4 South, Range 4 East, Johnston County, Oklahoma, to a bottomhole location and exit from the named common sources of supply no closer than 1,320 feet from the North line and no closer than 150 feet to the West line of said Section 10. The legal descriptions of the land sections adjacent to the area within which the location exception lies are Sections 2, 3, 4, 9, 11, 14, 15 and 16, Township 4 South, Range 4 East, Johnston County, Oklahoma. Applicant further requests that Applicant or some other party be authorized the right to drill said well. Applicant further requests that it be permitted to produce said well at said location from all common sources of supply covered hereby without any downward allowable adjustment.

Respectfully submitted,

MAHAFFEY & GORE, P.C.

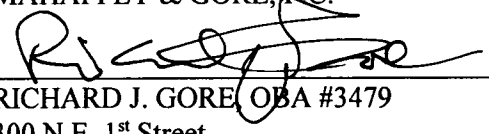

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ATTORNEYS FOR THE APPLICANT
BNK PETROLEUM (US), INC.

EXHIBIT "A"

**BNK PETROLEUM (US), INC., WELL LOCATION EXCEPTION,
SECTION 10, TOWNSHIP 4 SOUTH, RANGE 4 EAST RESPONDENT LIST
JOHNSTON, COUNTY, OKLAHOMA**

1. Wagner & Brown, LTD, a Texas
Limited Partnership,
d/b/a Wagner & Brown, Limited
Partnership
300 N. Marienfield, Suite 1100
Midland, TX 79701
2. XTO Energy Inc.
Chris Broadway, Landman
810 Houston Street
Fort Worth, Texas 76102-6298
3. Chesapeake Energy Corporation
Zach Malchi
P.O. Box 18496
Oklahoma City, OK 73514-0496

AND, IF ANY OF THE FOREGOING BE
DECEASED, THE UNKNOWN HEIRS,
EXECUTORS, ADMINISTRATORS, DEVISEES,
TRUSTEES AND ASSIGNS, IMMEDIATE AND
REMOTE, OF ANY SUCH PARTY