

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

API NUMBER: 137 26977

Approval Date: 12/19/2012
Expiration Date: 06/19/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 3S Rge: 5W County: STEPHENS
SPOT LOCATION: SW NW SE NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 826 1485

Lease Name: SCHOOL LAND Well No: SL-44 Well will be 825 feet from nearest unit or lease boundary.
Operator Name: BANNER OIL & GAS LLC Telephone: 4058316700 OTC/OCC Number: 22792 0

BANNER OIL & GAS LLC
PO Box 13178
Oklahoma City, OK 73113-1178

RON SUTTON
HC 64 BOX 1975
LOCO OK 73442

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

	Name	Depth	Name	Depth
1	LOCO	800	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing Location Exception Orders: Increased Density Orders:
Pending CD Numbers: Special Orders:

Total Depth: 1150 Ground Elevation: 931 Surface Casing: 0 Depth to base of Treatable Water-Bearing FM: 80

Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE
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: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL REQUIRED, 20-MIL LINER REQUIRED

Notes:

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX 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
ALTERNATE CASING	12/18/2012 - G71 - APPROVED CONTINGENT ON IMMEDIATELY SUBMITTING CBL TO AND REVIEWED BY OCC STAFF PRIOR TO ANY COMPLETION WORK
SPACING	12/19/2012 - G30 - FORMATION UNSPACED, 110-ACRE LEASE (S2 NW4 & SE4 NW4 NW4 & W2 NE4 NW4)

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