

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

API NUMBER: 137 27006

Approval Date: 01/30/2013

Expiration Date: 07/30/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 3S Rge: 5W

County: STEPHENS

SPOT LOCATION: SE NW SW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 1817 495

Lease Name: SCHOOL LAND

Well No: SL-67

Well will be 495 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: 1200

Ground Elevation: 904

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 70

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: 3000 Average: 2000

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. 20-MIL PIT LINER REQUIRED; CBL REQUIRED

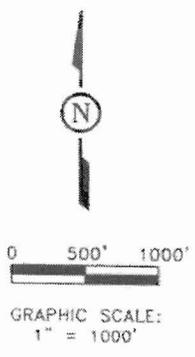
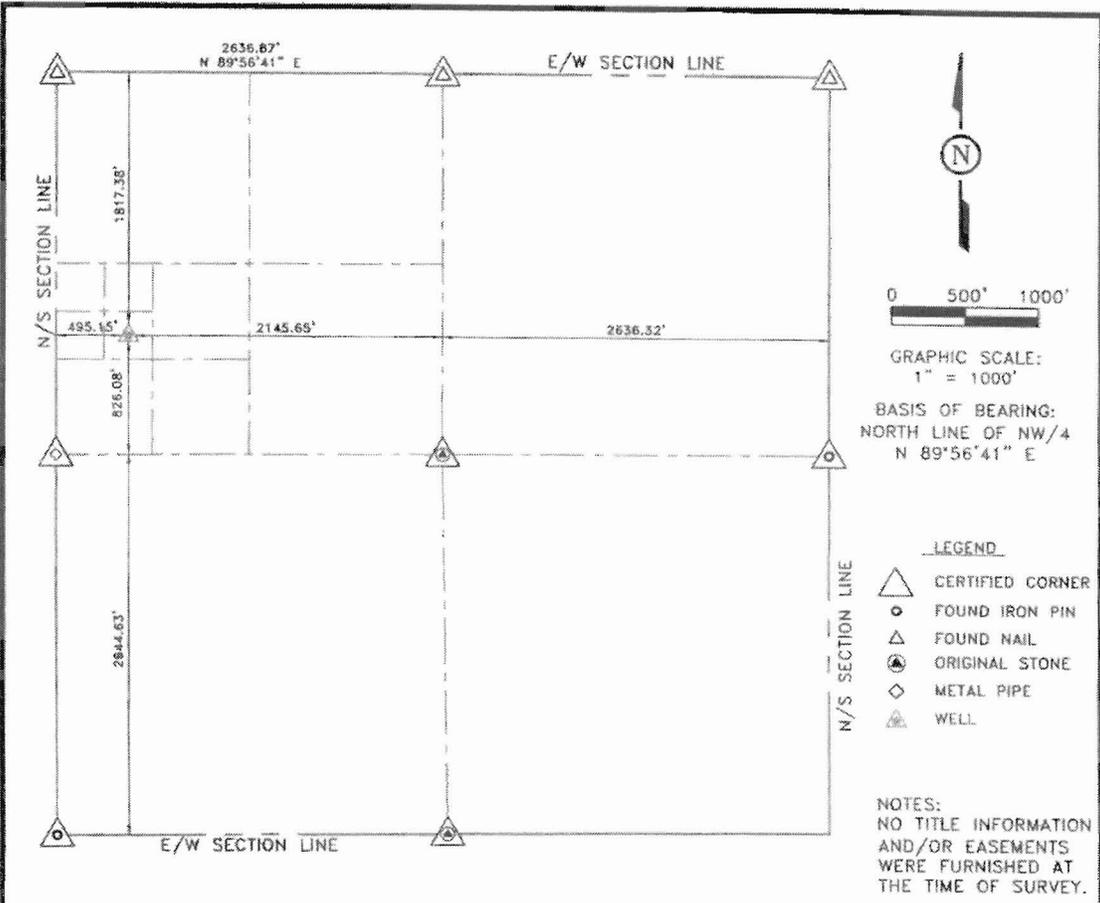
Notes:

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	1/30/2013 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH; AND, 2) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF AS SOON AS POSSIBLE. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER RULE 165: 10-3-4 (D)(4)(C)
SPACING	1/30/2013 - G75 - FORMATION UNSPACED; 110-ACRE LEASE (S2 NW4 & SE4 NW4 NW4 & W2 NE4 NW4)

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.

ART
137-27006



BASIS OF BEARING:
NORTH LINE OF NW/4
N 89°56'41\" E

- LEGEND
- △ CERTIFIED CORNER
 - FOUND IRON PIN
 - △ FOUND NAIL
 - ⊙ ORIGINAL STONE
 - ◇ METAL PIPE
 - ⊕ WELL

NOTES:
NO TITLE INFORMATION
AND/OR EASEMENTS
WERE FURNISHED AT
THE TIME OF SURVEY.

WELL LOCATION: C SE/4 NW/4 SW/4 NW/4 SECTION 14, T3S, R5W, I.M., STEPHENS COUNTY, OKLAHOMA.

LEASE NAME: SCHOOL LAND OPERATOR: BANNER OIL & GAS, LLC

WELL NUMBER: SL-67 ELEVATION: 904.16

DESCRIPTION: 495.15' F.W.L. & 1817.38' F.N.L. OF NW/4.

LATITUDE: 34°17'55" LONGITUDE: -97°42'03"

THIS LOCATION HAS BEEN VERY CAREFULLY STAKED ON THE GROUND ACCORDING TO THE BEST OFFICIAL SURVEY RECORDS, MAPS AND PHOTOGRAPHS AVAILABLE TO US, BUT ITS ACCURACY IS NOT GUARANTEED.

REVIEW THIS PLAT AND NOTIFY US IMMEDIATELY OF ANY POSSIBLE DISCREPANCY.

CERTIFICATE
I, BUDDY R. HOKIT, A REGISTERED LAND SURVEYOR AND AN AUTHORIZED AGENT OF M.J. LEWIS & ASSOCIATES, DO HEREBY CERTIFY THAT THE ABOVE DESCRIBED WELL LOCATION WAS SURVEYED AND STAKED ON THE GROUND AS SHOWN HEREIN.

SIGNED THIS 18TH DAY OF DECEMBER, 20 12.
Buddy R. Hokit
BUDDY R. HOKIT, P.L.S. 1326

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<p>IF THE SURVEYOR'S SIGNATURE IS NOT IN BLUE INK, AND DOES NOT HAVE A RED SEAL IMPRINT, THE DOCUMENT IS A COPY THAT SHOULD BE ASSUMED TO CONTAIN UNAUTHORIZED ALTERATIONS, AND BE CONSIDERED INVALID. THE CERTIFICATION CONTAINED ON THIS DOCUMENT SHALL NOT APPLY TO ANY COPIES.</p>	<p>A WELL LOCATED IN NW/4 SECTION 14, T3S, R5W, I.M., STEPHENS COUNTY, OKLAHOMA</p>	
	<p>SCALE: 1" = 1000'</p>	<p>DRAWN BY: BJP REV:</p>
	<p>DRAWN: 12-17-12</p>	<p>PROJECT NO.: 15817 SURVEYED: 12-07-12</p>
<p>M. J. LEWIS & ASSOCIATES, INC. (CA 1120) EXP. 06-30-13 707 WEST WALNUT AVENUE DUNCAN, OKLAHOMA 73533 580-255-6402 - fax 580-470-8474 - toll free 877-606-5000 www.mjlasurvey.com</p>		

SCANNED