

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

API NUMBER: 137 27317

Approval Date: 08/29/2014  
Expiration Date: 02/28/2015

Straight Hole Injection

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 3S Rge: 5W County: STEPHENS  
SPOT LOCATION:  C  NW  SW  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 1650 2310

Lease Name: JOHNSON Well No: J-73I Well will be 330 feet from nearest unit or lease boundary.  
Operator Name: BANNER OIL & GAS LLC Telephone: 4052850197 OTC/OCC Number: 22792 0

BANNER OIL & GAS LLC  
PO BOX 13178  
OKLAHOMA CITY, OK 73113-1178

RON SUTTON  
BOX 1975  
HC 64  
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: 929 **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: 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

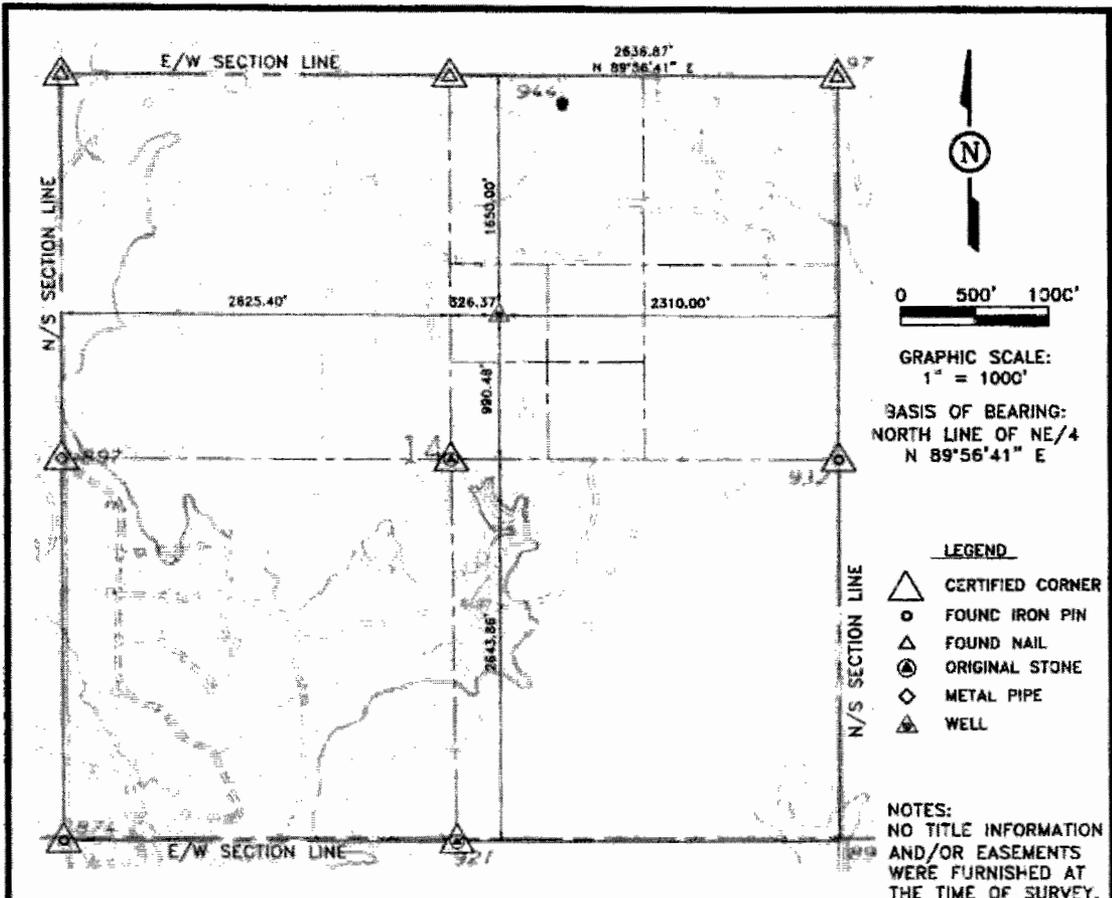
Notes:

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 | 8/29/2014 - G76 - APPROVED - COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)  |
| FRAC FOCUS       | 8/29/2014 - G76 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM |
| PITS             | 8/29/2014 - G76 - 20-MIL PIT LINER REQUIRED  |
| SPACING          | 8/29/2014 - G76 - N/A INJECTION WELL   |

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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.

API 13727317



WELL LOCATION: NW/4 SW/4 NE/4 SECTION 14, T3S, R5W, I.M., STEPHENS COUNTY, OKLAHOMA.  
 LEASE NAME: JOHNSON OPERATOR: BANNER OIL & GAS, LLC  
 WELL NUMBER: J-731 ELEVATION: 928.70  
 DESCRIPTION: 1650' F.N.L. & 2310' F.E.L. OF NE/4.  
 LATITUDE: 34°17'57" LONGITUDE: -97°41'33"

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 29<sup>TH</sup> DAY OF JULY, 2014.  
 BUDDY R. HOKIT, P.L.S. 1326

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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.

A WELL LOCATED IN  
 NE/4 SECTION 14, T3S, R5W, I.M.,  
 STEPHENS COUNTY, OKLAHOMA

|                   |                    |                    |
|-------------------|--------------------|--------------------|
| SCALE: 1" = 1000' | DRAWN BY: BJP      | REV:               |
| DRAWN: 07-23-14   | PROJECT NO.: 16335 | SURVEYED: 07-11-14 |

**M.J. LEWIS & ASSOCIATES, INC.**  
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**MJLA**  
 Surveying - Drafting - Design