

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

API NUMBER: 069 20165 A

Approval Date: 12/22/2016
Expiration Date: 06/22/2017

Horizontal Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Sec: 16 Twp: 4S Rge: 4E

County: JOHNSTON

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2462 545

Lease Name: CHANDLER

Well No: 8-6H

Well will be 178 feet from nearest unit or lease boundary.

Operator Name: BNK PETROLEUM (US) INC

Telephone: 8054843613

OTC/OCC Number: 21948 0

BNK PETROLEUM (US) INC
760 PASEO CAMARILLO STE 350
CAMARILLO, CA 93010-0763

WELDON BARNES & DEBORAH BARNES
15702 W. HARVEY RD.
MANNSVILLE OK 73447

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

Name	Depth	Name	Depth
1 CANEY	9600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 554189

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201304705

Special Orders:

Total Depth: 15393

Ground Elevation: 735

Surface Casing: 501 IP

Depth to base of Treatable Water-Bearing FM: 400

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

D. One time land application -- (REQUIRES PERMIT)
H. SEE MEMO

PERMIT NO: 16-31932

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 350000 Average: 250000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 08 Twp 4S Rge 4E County JOHNSTON

Spot Location of End Point: NW NE NE NE

Feet From: SOUTH 1/4 Section Line: 2475

Feet From: WEST 1/4 Section Line: 2280

Depth of Deviation: 9465

Radius of Turn: 609

Direction: 359

Total Length: 4971

Measured Total Depth: 15393

True Vertical Depth: 9724

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category

Description

HYDRAULIC FRACTURING

12/15/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

MEMO

12/15/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201304705

12/16/2016 - G75 - (E.O.)
X554189 CNEY
SHL (16-4S-4E) NCT 178' FNL, NCT 545' FWL
COMPL. INT. (8-4S-4E) NCT 165' FSL, NCT 165' FNL, NCT 330' FEL
BHL NCT 0' FNL, NCT 330' FEL
BNK PETRO. (US) INC.
REC 12-20-2016 (DECKER)

PUBLIC WATER SUPPLY WELL

12/15/2016 - G71 - MANNSVILLE RWD #2, 1 PWS/WPA, SE4 16-4S-4E

SPACING - 554189

12/16/2016 - G75 - (640) 8-4S-4E
EXT 549273 CNEY, OTHERS

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.

069 20165 CHANDLER 8-6H

APPLICATION TO DRILL, RECOMLETE OR REENTER

FORM 1000
REV. 2014

FILE ORIGINAL ONLY

PLEASE TYPE OR USE BLACK INK

1. OTC/OCC OPERATOR NUMBER

21948-0

2. API NUMBER

069-20165

A

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
JIM THORPE BUILDING
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(RULE 165:10-3-1)BATCH NUMBER TO USE ONLY
LEAK THROUGH

3. NOTICE OF INTENT TO:

___ DRILL ___ RECOMLETE ___ REENTER ☒ DEEPEN ___ AMEND - REASON

NOTE: ATTACH COPY OF 1002-A IF RECOMPLETION OR REENTRY.

4. TYPE OF DRILLING OPERATION >>>>>>>

(NOTE: If directional or horizontal, see reverse side for bottom hole location)

A. ___ STRAIGHT HOLE ___ DIRECTIONAL HOLE ☒ HORIZONTAL HOLEB. ☒ OIL/GAS ___ INJECTION ___ DISPOSAL ___ WATER SUPPLY ___ STRAT TEST ___ SERVICE WELL6. LOCATE WELL AND OUTLINE
LEASE OR SPACING UNIT IN INK.

5. WELL LOCATION:

SECTION 16 TOWNSHIP 4S RANGE 4E COUNTY JOHNSTON

SPOT LOCATION: NE 1/4 NW 1/4 NW 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
SECTION LINES: 2462 545

7. Well will be 178 feet from nearest unit or property boundary.

8. LEASE NAME: CHANDLER WELL NUMBER: 8-6H

9. NAME OF OPERATOR: BNK PETROELUM (US) INC EMAIL ADDRESS:

ADDRESS 760 PASEO CAMARILLO STE 350 PHONE (AC/NUMBER) 8054843613

CITY CAMARILLO STATE CA ZIP CODE 93010

10. SURFACE OWNER (ONE ONLY, ATTACH SHEET FOR ADDITIONAL OWNERS)

WELDON & DEBORAH BARNES

ADDRESS 15702 W. HARVEY RD.

CITY MANNSVILLE STATE OK ZIP CODE 73447

14. LIST TARGET FORMATIONS AND DEPTHS OF EACH BELOW (LIMITED TO TEN)

1) CANEY 9600

6)

2)

7)

3)

8)

4)

9)

5)

10)

15. SPACING ORDER NUMBER(S) AND SIZE UNIT(S):

(EA) Hearing 12-20-2016

16. PENDING APPLICATION C.D. NO.

201304705

17. LOCATION EXCEPTION ORDER NO.

PENDING

18. INCREASED DENSITY ORDER NO.

19. TOTAL DEPTH

15393

20. GROUND ELEV.

735

21. BASE OF TREATABLE WATER

400

22. SURFACE CASING

501

23. ALT CASING PROG USED?

Y X N

24. ALTERNATIVE CASING PROCEDURE, check box and fill in blank (AFFIDAVIT REQUIRED, see reverse side, line 31.)

___ A. Cement will be circulated from total depth to ground surface on the production casing string.

___ B. Cement will be circulated from ___ depth to ___ depth by use of a two stage cementing tool.

25.1. PIT INFORMATION: Using more than one pit or mud system? ☒ Y ___ N If yes, fill out line 25.2 on top reverse side.A. TYPE OF MUD SYSTEM: ☒ WATER BASED ___ OIL BASED ___ GAS BASED (AIR DRILL)

B. EXPECTED MUD CHLORIDE CONTENT: maximum: 5000 ppm; average: 3000 ppm.

C. TYPE OF PIT SYSTEM: ___ on-site ___ off-site ___ closed If off-site, specify location: ___

D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? ☒ Y ___ NE. WITHIN 1 MILE OF MUNICIPAL WATER WELL? ☒ Y ___ NF. WELLHEAD PROTECTION AREA? ☒ Y ___ N

Off-Site Pit No.

26.1

A. CATEGORY

1A

1B

2

3

4

C

OCC USE ONLY

B. PIT LOCATION:

☒ Alluvial Plain

___ Terrace Deposit

___ Bedrock Aquifer

___ Other H.S.A.

___ Non-H.S.A. Fr.

4/10/11

C. Special area or field rule?

D. DEEP SCA?

☒ Y ___ N

E. CBL required?

☒ Y ___ N

F. SOIL COMPACTED LINER REQUIRED?

☒ Y ___ N

G. 20 mil GEOMEMBRANE LINER REQUIRED?

☒ Y ___ N

27. PROPOSED METHOD FOR DISPOSAL OF DRILLING FLUIDS (MUST BE COMPLETED)

___ A. Evaporation/dewater and backfilling of reserve pit.

___ B. Public Landfill: Location

___ C. Annular Injection (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.)

PERMIT NO.

☒ D. One time land application (REQUIRES PERMIT)

PERMIT NO. 16-31932

___ E. Haul to Commercial pit facility; Specify site:

Order No.

___ F. Haul to Commercial soil farming facility; Specify site:

Order No.

___ G. Haul to recycling/re-use facility; Specify site:

Order No.

☒ H. Other, Specify: Pit 1+2 - closed system = steel pits per operator request; Pit 2 - OBM to

I hereby certify I am authorized to submit this two page application prepared by me or under my supervision. Vendor OBM cuttings

The facts and proposals made herein are true, correct and complete to the best of my knowledge and belief. Per District

SIGNATURE

Richard J. Gore

NAME (Print or Type)

Richard J. Gore

PHONE (AC/NO.)

405-236-0478

FAX (AC/NO.)

405-236-5200

DATE

12-15-16

NOTICE: Approval is void if operations have not commenced within six months of the date of approval. An approved permit must be posted at the location during drilling and completion operations.
File the Form 1001A, Spud Report, within fourteen days of commencement of operations.

NOTIFY DISTRICT OFFICE 24 HOURS PRIOR TO CEMENTING SURFACE CASING.

25.2. PIT INFORMATION:

A. TYPE OF MUD SYSTEM: WATER BASED ☒ OIL BASED ☐ GAS BASED (AIR DRILL) ☐
 B. EXPECTED MUD CHLORIDE CONTENT: maximum: 350000 ppm; average: 250000 ppm.
 C. TYPE OF PIT SYSTEM: on-site ☐ off-site ☒ closed ☐ If off-site, specify location: _____
 D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? ☒ Y ☐ N
 E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? ☒ Y ☐ N
 F. WELLHEAD PROTECTION AREA? ☒ Y ☐ N Off-Site Pit No. _____

26.2. OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C Fm: Alluvium
 B. PIT LOCATION: ☒ Alluvial Plain ☐ Terrace Deposit ☐ Bedrock Aquifer ☐ Other H.S.A. ☐ Non-H.S.A.
 C. Special area or field rule? ☐ D. DEEP SCA? ☒ Y ☐ N E. CBL? ☐ Y ☒ N
 F. SOIL COMPACTED LINER REQUIRED? ☐ Y ☒ N G. 20 mil GEOMEMBRANE LINER REQUIRED ☐ Y ☒ N

29. Bottom Hole Location SEC TWP RGE COUNTY

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:

Measured Total True Vertical BHL from nearest Lease, Unit, Or Property Line:
 Depth Depth

30. Bottom Hole Location for Horizontal Hole: (LATERALS)

LATERAL #1: SEC 8 TWP 4S RGE 4E COUNTY Johnston

SPOT LOCATION: 1/4 NE 1/4 NE 1/4 NE 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES: 2475 2280

Depth of Deviation Radius of Turn Direction Total Length
 9465 609 359 4971

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line: 165' FNL.

LATERAL #2: SEC TWP RGE COUNTY

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:

Depth of Deviation Radius of Turn Direction Total Length

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

LATERAL #3: SEC TWP RGE COUNTY

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:

Depth of Deviation Radius of Turn Direction Total Length

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

31. AFFIDAVIT FOR ALTERNATIVE CASING PROGRAM (Signature on front of this form attests to this affidavit)

1. This well WILL ☒ WILL NOT ☐ penetrate any known lost circulation zones.
2. During the drilling of this well, withdrawals from any water well within 1/4 mile WILL ☒ WILL NOT ☐ exceed 50 gallons per minute.
3. The projected depth of the well is ☒ IS NOT ☐ less than 100 feet from the top of any enhanced recovery project or gas storage facility.
4. List the following for all water wells within 1/4 mile of this well. (Information concerning some water wells may be obtained from the OKLAHOMA WATER RESOURCES BOARD, 3800 N. Classen Blvd., Oklahoma City, OK 73118). IF NO WATER WELLS FOUND, SO STATE. (ATTACH ADDITIONAL SHEET IF NECESSARY)

Name of Owner/Operator	Address of Owner/Operator	Location (Nearest 1/4 1/4 1/4 1/4)	Depth of Well
No water wells found			

5. A cement bond log is required to be run and submitted from not less than 100 feet below the base of the treatable water-bearing formation to the surface. OCC USE ONLY
6. If casing depth is more than 250 feet deeper than base of the treatable water-bearing formation, operator must submit a letter of request listing reasons and precautions to be taken.

INTENT TO DRILL CHECKLIST
 APPROVED _____ REJECTED _____

OCC USE ONLY

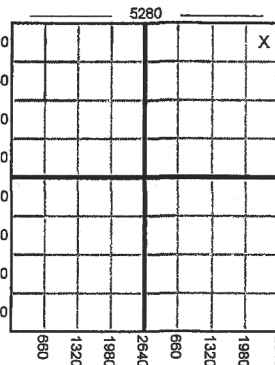
OCC USE ONLY

1. SURETY
 A. NONE filed. 5/26/17
 B. EXPIRED: Date _____
 C. OUTSTANDING CONTEMPT ORDER.

4. GEOLOGY

DO NOT WRITE INSIDE THIS BOX

28. Locate Bottom Hole



1. If more than two drainholes are proposed, attach separate sheet indicating the necessary information.
2. Direction must be stated in degrees azimuth.
3. Please note the horizontal drainhole and its end point must be located within the legal boundaries of the lease or spacing unit. Directional surveys are required for all drainholes and directional wells.

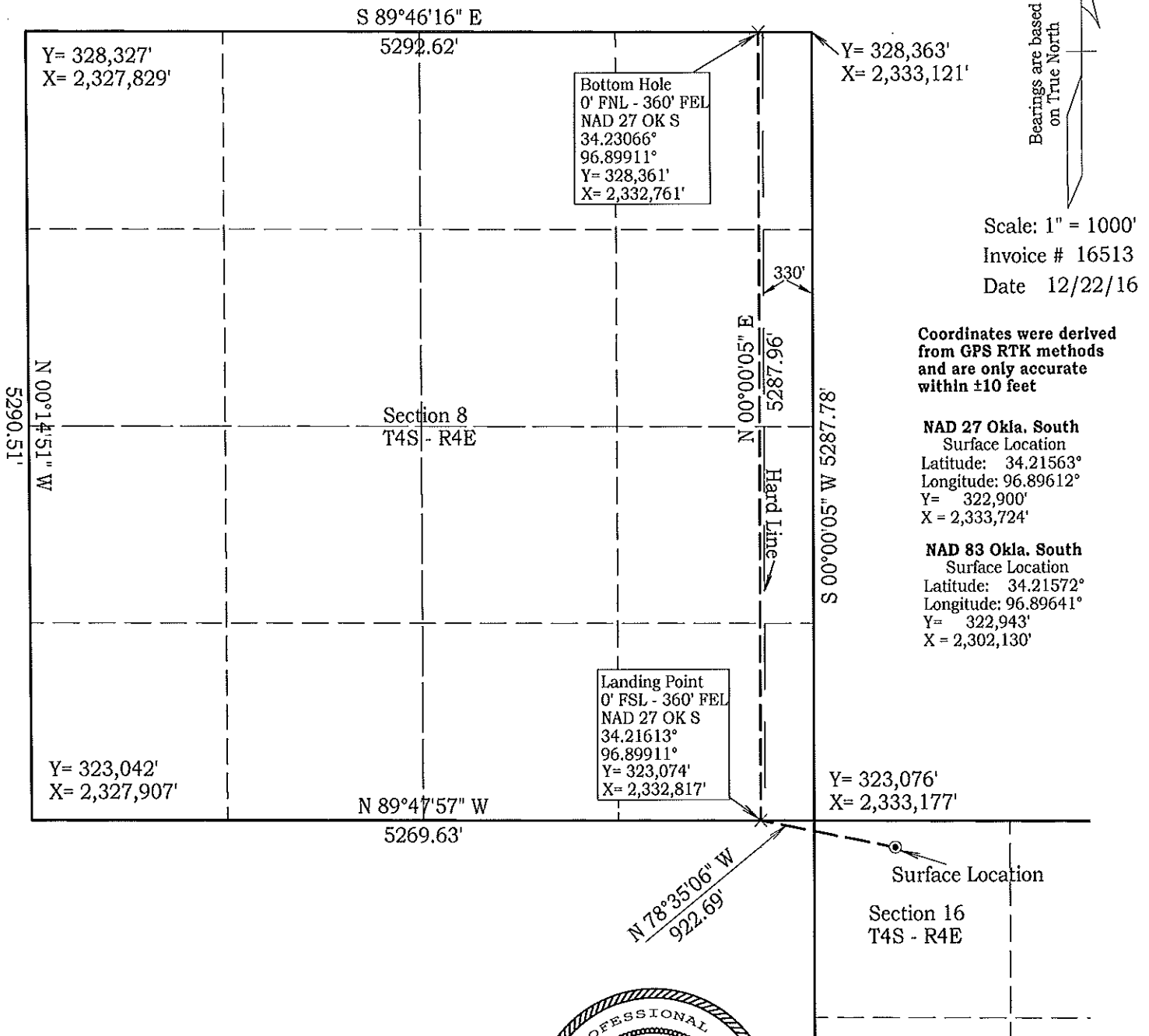
Case: 000000000 Cashier: KTH
 Payor: BAK PETROLEUM (US) INC
 Check: 44558 \$500.00
 45 Emerg Walk Thru ITD
 Date: 12/15/2016 Time: 11:32
 RECEIPT 1704750065
 OKLA CORP COMM

Permit Plat
M & M Land Surveying, Inc.
520 "E" Street NW. Ardmore, OK. 73401
Office 580-226-0446 Mobile 580-221-4999

API 069-20165A

Company Name: BNK Petroleum Inc. Lease Name: Chandler #8-6H
Section 16 Township 4 South Range 4 East County Johnston Oklahoma
Surface Location 178' FNL - 545' FWL Elevation 735'

ALL SECTION CORNER COORDINATES ARE NAD 27



D. Harry McClintick, R.P.L.S. # 1367, CA # 3093

This location has been staked according to the best official survey records available to us, but its accuracy is not guaranteed. Please review this plat and notify us immediately of any discrepancy.

