

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

API NUMBER: 151 24551

Approval Date: 12/07/2018

Expiration Date: 06/07/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 27N Rge: 17W

County: WOODS

SPOT LOCATION: ☐ SW ☐ SE ☐ SW ☐ SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 165 1880

Lease Name: MACKEY 10-27-17

Well No: 2H

Well will be 165 feet from nearest unit or lease boundary.

Operator Name: BCE-MACH LLC

Telephone: 4052528151

OTC/OCC Number: 24174 0

BCE-MACH LLC
14201 WIRELESS WAY STE 300
OKLAHOMA CITY, OK 73134-2512

MACKEY FAMILY LLC (DATED 11/17/2000)
PO BOX 852
ALVA OK 73717

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

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 5636 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 602850

Location Exception Orders: 687945

Increased Density Orders: 687845

Pending CD Numbers:

Special Orders:

Total Depth: 10513

Ground Elevation: 1733

Surface Casing: 800

Depth to base of Treatable Water-Bearing FM: 750

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: 25000 Average: 8000

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: BLAINE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35475
H. CLOSED SYSTEM = STEEL PITS (REQUIRED - RED HORSE CREEK)

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.

HORIZONTAL HOLE 1

Sec 10 Twp 27N Rge 17W County WOODS

Spot Location of End Point: N2 N2 NW NE

Feet From: NORTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 5127

Radius of Turn: 652

Direction: 359

Total Length: 4362

Measured Total Depth: 10513

True Vertical Depth: 5680

End Point Location from Lease,
Unit, or Property Line: 150

Notes:

Category

Description

HYDRAULIC FRACTURING

12/7/2018 - G71 - 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

INCREASED DENSITY - 687845

12/7/2018 - G58 - 10-27N-17W
X602850 MSSP
1 WELL
BCE-MACH LLC
12/6/2018

LOCATION EXCEPTION - 687945

12/7/2018 - G58 - (I.O.) 10-27N-17W
X602850 MSSP
COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 1320' FEL
BCE-MACH, LLC
12/7/2018

SPACING - 602850

12/7/2018 - G58 - (640) 10-27N-17W
EXT OTHERS
EXT 598772 MSSP, OTHER

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.

151 24551 MACKEY 10-27-17 2H

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 Wireless Way, Okla. City, OK. 73134 (405) 843-4847 • OUT OF STATE (800) 654-3219
Certificate of Authorization No. 1293 LS

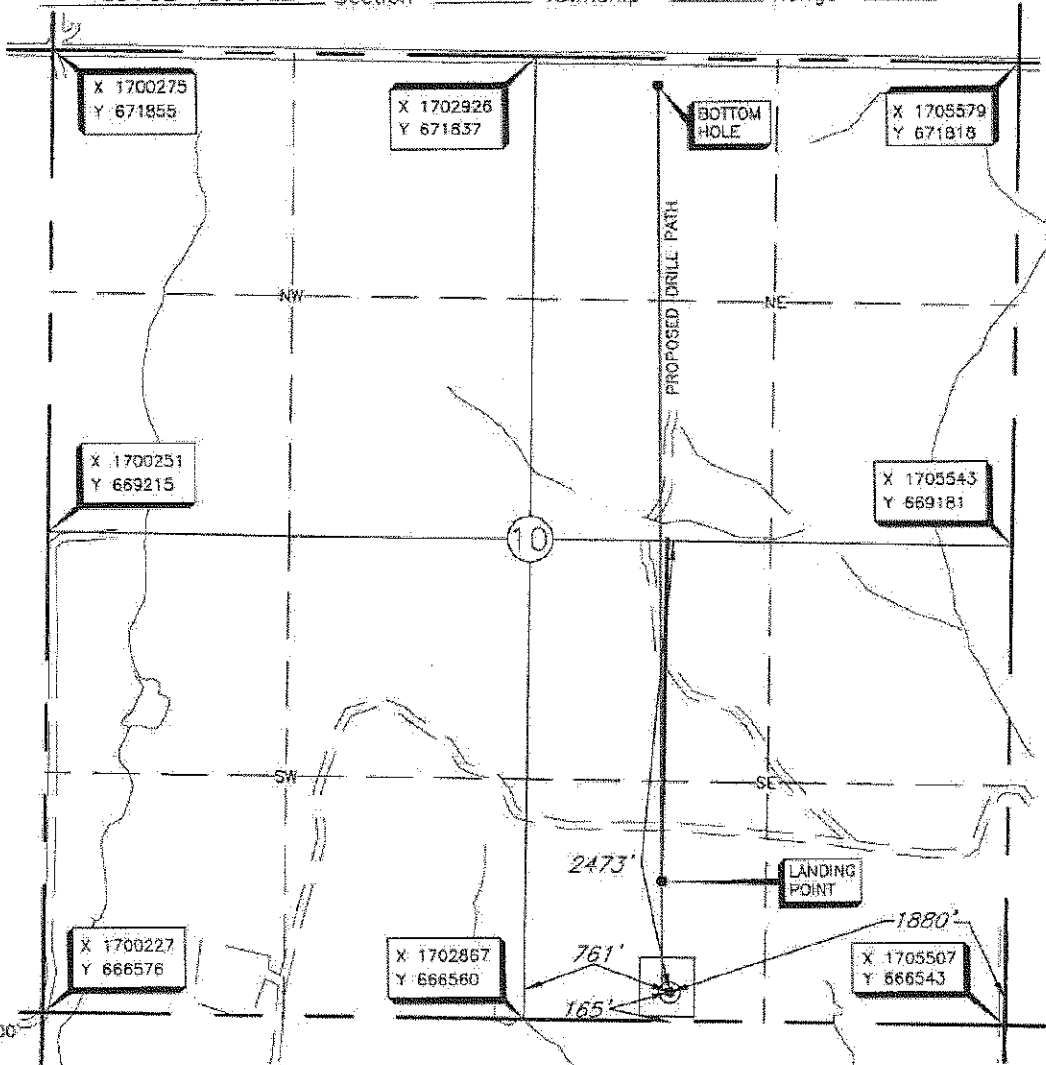
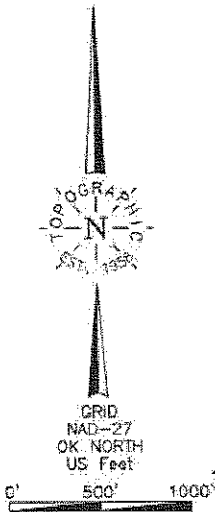
151-24551

WOODS

County, Oklahoma

165'FSL-1880'FEL Section 10 Township 27N Range 17W 1.M.

NOTE:
The information shown herein is for
construction purposes ONLY.



BOTTOM HOLE
150'FNL-1980'FEL
NAD-27 (US Feet)
36°50'27.3" N
99°00'48.2" W
36.840913869° N
99.012842380° W
X= 1703597
Y= 671682

LANDING POINT
765'FSL-1892'FEL
NAD-27 (US Feet)
36°49'44.2" N
99°00'45.3" W
36.828934452° N
99.012587807° W
X= 1703626
Y= 667320

LANDING POINT, BOTTOM HOLE AND DRILL PATH INFORMATION
PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

Operator: MACH RESOURCES

Lease Name: MACKEY 10-27-17

Well No.: 2H

ELEVATION:

1733' Gr. at Stake

Topography & Vegetation LOC. FELL IN SLOPED PASTURE

Good Drill Site? YES Reference Stakes or Alternate Location
Stakes Set NONE

Best Accessibility to Location FROM NW OFF EXISTING LEASE ROAD

Distance & Direction

from Hwy Jct or Town FROM CAMP HOUSTON, OK. GO EAST ±10 MILES. THEN GO NORTH ON LEASE ROAD ±1.25 MILES.
TO THE SW/4 OF SECTION 10-27N-17W

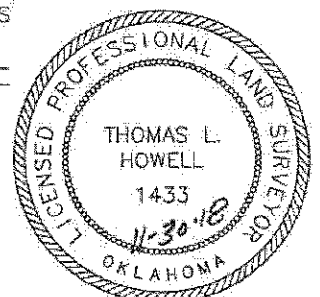
Date of Drawing: Nov. 28, 2018 SS

Invoice # 307301 Date Staked: Nov. 21, 2018

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land
Surveyor and an authorized agent of Topographic Land
Surveyors of Oklahoma, do hereby certify to the
information shown herein

Thomas L. Howell
Oklahoma Lic. No. 1433



This information was
gathered with a GPS receiver
with ±1 foot Horiz./Vert. accuracy

DATUM: NAD-27
LAT: 36°49'38.2"N
LONG: 99°00'45.2"W
LAT: 36.827286722°N
LONG: 99.012552797°W
STATE PLANE
COORDINATES: (US Feet)
ZONE: NORTH
X: 1703630
Y: 666720