API NUMBER: 003 23333

Oil & Gas

BCE-MACH LLC

Horizontal Hole

Operator

Name:

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

Approval Date: 08/30/2018

Expiration Date: 02/28/2019

PERMIT TO DRILL

Telephone: 4052528151

WELL LOCATION:	Sec: 26	Twp: 26N	Rge: 11V	N County:	ALFA	LFA		
SPOT LOCATION:	NW N	IE NW	NE	FEET FROM QUARTER: SECTION LINES:	FROM	NORTH 173	FROM	EAST 1928
Lease Name: BUCKLYN 23-26-11				Wel	II No:	2H		

OTC/OCC Number: 24174 0

173 feet from nearest unit or lease boundary.

Well will be

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

MARK CALAVAN
P.O. BOX 614
WARNER OK 74469

Formation(s) (Permit Valid for Listed Formations Only): Name Depth Name Depth MISSISSIPPIAN 1 5445 6 2 7 3 8 4 9 5 10 621172 Spacing Orders: Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201805977 Special Orders:

201805978

Total Depth: 10406 Ground Elevation: 1181 Surface Casing: 590 Depth to base of Treatable Water-Bearing FM: 520

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 D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34866
Chlorides Max: 25000 Average: 8000 H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

Chlorides Max: 25000 Average: 8000 H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST ls 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: C

Liner not required for Category: C
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

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 23 Twp 26N Rge 11W County ALFALFA

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: 4962 Radius of Turn: 382 Direction: 359 Total Length: 4844

Measured Total Depth: 10406

True Vertical Depth: 5565

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

Notes:

Category Description

HYDRAULIC FRACTURING 8/24/2018 - G71 - OCC 165:10-3-10 REQUIRES:

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:

OCCEWEB.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

PENDING CD - 201805977 8/30/2018 - G57 - 23-26N-11W

X621172 MSSP 1 WELL

NO OP. NAMED

REC BY OPTIONAL 8-21-2018 (MUR)

PENDING CD - 201805978 8/30/2018 - G57 - (I.O.) 23-26N-11W

X621172 MSSP

COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 1320' FEL & FWL

NO OP. NAMED

REC BY OPTIONAL 8-21-2018 (MUR)

SPACING - 621172 8/30/2018 - G57 - (640) 23-26N-11W

VAC OTHERS VAC 52810 MSSLM EXT OTHERS

EXT 618842 MSSP, OTHERS