

API NUMBER: 073 27009

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

Approval Date: 05/05/2023

Expiration Date: 11/05/2024

Horizontal Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 32 Township: 19N Range: 7W County: KINGFISHER

SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 181 1006

Lease Name: NEAL 5-18-7 Well No: 1HO Well will be 181 feet from nearest unit or lease boundary.

Operator Name: BCE-MACH III LLC Telephone: 4052528100 OTC/OCC Number: 24485 0

BCE-MACH III LLC
14201 WIRELESS WAY STE 300
OKLAHOMA CITY, OK 73134-2521

THE NEAL K. KRUEGER REVOCABLE TRUST DATED SEPTEMBER 17,2003
11197 EAST 670 RD
HENNESSEY OK 73742

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

Name	Code	Depth
1 OSWEGO	404OSWG	6484

Spacing Orders: 704809

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202301079

Working interest owners' notified: DNA

Special Orders: No Special

202301282

Total Depth: 11985

Ground Elevation: 1145

Surface Casing: 530

Depth to base of Treatable Water-Bearing FM: 280

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 23-39015

H. (Other)

CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST

PIT 1 INFORMATION

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? 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

HORIZONTAL HOLE 1

Section: 5 Township: 18N Range: 7W Meridian: IM
County: KINGFISHER

Total Length: 5000

Measured Total Depth: 11985

Spot Location of End Point: C SE SE SE

True Vertical Depth: 6635

Feet From: SOUTH 1/4 Section Line: 330

End Point Location from
Lease, Unit, or Property Line: 330

Feet From: EAST 1/4 Section Line: 330

NOTES:

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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
HYDRAULIC FRACTURING	<p>[4/25/2023 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p>
PENDING CD - 2023-001079	<p>[5/5/2023 - GC2] - (I.O.) 5-18N-7W X704809 OSWG COMPL. INT. NCT 330' FSL, NCT 330' FNL, NCT 330' FEL NO OP NAMED REC. 4/10/2023 (P. PORTER)</p>
PENDING CD - 2023-001282	<p>[5/5/2023 - GC2] - (I.O.) 5-18N-7W X165:10-3-28(C)(2)(B) OSWG MAY BE CLOSER THAN 600' TO ROTTGER 1 NO OP NAMED REC. 5/2/2023 (HUBER)</p>
SPACING - 704809	<p>[5/5/2023 - GC2] - (640)(HOR) 5-18N-7W EXT 653944 OSWG COMPL. INT. NCT 660' FB (COEXIST SP. ORDER # 49980)</p>