

API NUMBER: 003 23416

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

Approval Date: 08/31/2022

Expiration Date: 02/29/2024

Horizontal Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 07 Township: 28N Range: 11W County: ALFALFA

SPOT LOCATION: ☐ SE ☐ SE ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 165 1495

Lease Name: DAVIS 7-28-11 Well No: 2H Well will be 165 feet from nearest unit or lease boundary.

Operator Name: BCE-MACH LLC Telephone: 4052528100 OTC/OCC Number: 24174 0

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

WALLACE W. DAVIS  
P.O. BOX 35  
CANTON OK 73724

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

Name	Code	Depth
1 MISSISSIPPI	351MISS	5048

Spacing Orders: 577663

Location Exception Orders: 722730

Increased Density Orders: 722546

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 10362

Ground Elevation: 1236

Surface Casing: 480

Depth to base of Treatable Water-Bearing FM: 230

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: 22-38519

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: 8000 Average: 5000

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: BED AQUIFER

Pit Location Formation: BISON

**HORIZONTAL HOLE 1**

Section: 7 Township: 28N Range: 11W Meridian: IM  
County: ALFALFA

Total Length: 4980

Measured Total Depth: 10362

Spot Location of End Point: N2 N2 NW NE

True Vertical Depth: 5083

Feet From: NORTH 1/4 Section Line: 150

End Point Location from

Feet From: EAST 1/4 Section Line: 1980

Lease, Unit, or Property Line: 150

Additional Surface Owner(s)	Address	City, State, Zip
HEATHER ELAINE SPENCE KENNEDY	8820 MAXWELL DR.	POTOMAC, MD 20854
KEVIN WADSWORTH SPENCE	794 40TH ST.	SARASOTA, FL 34234
HOLLY MAURINE SPENCE GREENE	204 ZAHARIAS CIRCLE	DAYTONA BEACH, FL 32124

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.

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[8/23/2022 - 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 HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
INCREASED DENSITY - 722546	<p>[8/31/2022 - G56] - 7-28N-11W  X577663 MISS  1 WELL  NO OP NAMED  1/3/2022</p>
LOCATION EXCEPTION - 722730	<p>[8/31/2022 - G56] - (I.O.) 7-28N-11W  X577663 MISS  COMPL INT NCT 150' FNL, NCT 150' FSL, NCT 1320' FEL  BCE-MACH, LLC  1/10/2022</p>
SPACING - 577663	<p>[8/31/2022 - G56] - (640) 7-28N-11W  REFORM 404153 MISS</p>