

API NUMBER: 151 24609

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

Approval Date: 10/21/2022

Expiration Date: 04/21/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 01 Township: 26N Range: 13W County: WOODS

SPOT LOCATION: SW SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 176 2511

Lease Name: SCHOELING 1-26-13 Well No: 1H Well will be 176 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

GARY R SCHOELING AND BETH ANN SCHOELING
123 HIGH STREET
ALVA OK 73717

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

Name	Code	Depth
1 MISS'AN LM	359MPLM	5675

Spacing Orders: 49436

Location Exception Orders: 728806

Increased Density Orders: 728807

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 11075 Ground Elevation: 1459

Surface Casing: 510

Depth to base of Treatable Water-Bearing FM: 260

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: 22-38642

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Section: 1 Township: 26N Range: 13W Meridian: IM
County: WOODS

Total Length: 5000

Measured Total Depth: 11075

Spot Location of End Point: NW NW NW NE

True Vertical Depth: 5725

Feet From: NORTH 1/4 Section Line: 165

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

Feet From: EAST 1/4 Section Line: 2630

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>[10/20/2022 - 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 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>
INCREASED DENSITY - 728807 (CD2022-003495)	<p>[10/21/2022 - GB6] - 1-26N-13W X49436 MPLM 1 WELL BCE-MACH LLC 09/28/2022</p>
LOCATION EXCEPTION - 728806 (CD2022-003494)	<p>[10/21/2022 - GB6] - (I.O.) 1-26N-13W X49436 MPLM COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 1320' FEL NO OPER. NAMED 09/28/2022</p>
SPACING - 49436	<p>[10/21/2022 - GB6] - (640) 1-26N-13W EST MPLM, OTHERS</p>