

API NUMBER: 073 26925

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

Approval Date: 09/13/2022  
Expiration Date: 03/13/2024

Horizontal Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 34 Township: 17N Range: 6W County: KINGFISHER

SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 151 1129

Lease Name: LANKARD FAMILY 3-16-6 Well No: 3HO Well will be 151 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

LANKARD FAMILY LLC  
3743 S 4403  
PRYOR OK 74361

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

Name	Code	Depth
1 OSWEGO	404OSWG	6483

Spacing Orders: 723897

Location Exception Orders: 728262

Increased Density Orders: 728260

Pending CD Numbers: No Pending

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

Special Orders: No Special

Total Depth: 10982 Ground Elevation: 1108

Surface Casing: 380

Depth to base of Treatable Water-Bearing FM: 130

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: 22-38516  
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: BED AQUIFER

Pit Location Formation: SALT PLAINS

**HORIZONTAL HOLE 1**

Section: 3 Township: 16N Range: 6W Meridian: IM Total Length: 3960  
County: KINGFISHER Measured Total Depth: 10982  
Spot Location of End Point: C S2 SW SE True Vertical Depth: 6636  
Feet From: SOUTH 1/4 Section Line: 330 End Point Location from  
Feet From: EAST 1/4 Section Line: 1980 Lease, Unit, or Property 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>[8/26/2022 - 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 - 728260	<p>[9/13/2022 - G56] - 3-16N-6W  X723897 OSWG  3 WELLS  BCE-MACH III LLC  9/8/2022</p>
LOCATION EXCEPTION - 728262	<p>[9/13/2022 - G56] - (I.O.) 3-16N-6W  X723897 OSWG  COMPL INT NCT 330' FNL, NCT 330' FSL, NCT 1320' FEL  BCE-MACH III LLC  9/8/2022</p>
SPACING - 723897	<p>[9/13/2022 - G56] - (640)(HOR) 3-16N-6W  VAC 62116 OSWG  EXT 658437 OSWG, OTHER  POE TO BHL NLT 660' FB</p>