API NUMBER: 151 24593

Horizontal Hole Oil & Gas

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

Approval Date: 02/20/2020 Expiration Date: 08/20/2021

PERMIT TO DRILL

WELL LOCATION:	Section: 08	Township:	28N Rai	ige: 16W	County:	WOODS	S				
SPOT LOCATION:	SE SW SW	SW	FEET FROM QUAI	TER: FROM	SOUTH	FROM	WEST				
			SECTION L	NES:	225		503				
Lease Name:	ARNDT TRUST 17-28-16	5		Well No:	: 1H			Well will be	225	feet from nearest unit or lea	se boundary.
Operator Name:	BCE-MACH LLC			Telephone	: 405252	8151				OTC/OCC Number:	24174 0
BCE-MACH L	LC] [
14201 WIREL	ESS WAY STE 300					ĸ	ENNETH MA	YNARD ARNI	DT		
OKLAHOMA	CITY,	OK	73134-2512			4	521 CLASSE	N COURT			
						s	TILLWATER			OK 74075	

Formation(s) (Permit Vali	d for Listed Formations	Only):				
Name	Code	Depth				
1 MISSISSIPPI	351MISS	5400				
Spacing Orders: 97151		Location Exception Orders	No Exceptions	Increased Density Orders: 696632		
Pending CD Numbers: 20200031	3			Special Orders: No Special Orders		
Total Depth: 10660	Ground Elevation: 1772	Surface Casing: 530		Depth to base of Treatable Water-Bearing FM: 480		
Under Federal Jurisdicti	on: No		Approved Method for disposal of Drilling Fluids: D. One time land application (REQUIRES PERMIT) PERMIT NO: H. CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST			
Fresh Water Supply Well Drill Surface Water used to D						

PIT 1 INFORMATION	Category of Pit: C				
Type of Pit System: CLOSED Closed System Means Steel Pits	Liner not required for Category: C				
Type of Mud System: WATER BASED	Pit Location is: NON HSA				
Chlorides Max: 25000 Average: 8000	Pit Location Formation: FLOWERPOT				
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 <u>is not</u> located in a Hydrologically Sensitive Area.					
HORIZONTAL HOLE 1					

Section: 17 Township: 28N	Range: 16W	Total Length:	4870
County: WOODS		Measured Total Depth:	10660
oot Location of End Point: S2 S2	2 SW SW	True Vertical Depth:	5480
Feet From: SOUTH	1/4 Section Line: 150	End Point Location from	
Feet From: WEST	1/4 Section Line: 660	Lease, Unit, or Property Line:	150

Additional Surface Owner(s)	Address	City, State, Zip
DEVONA D. MCMURPHY AND DAVID	1616 SPRUCE	ALVA, OK 73717-

NOTES:

Category	Description
HYDRAULIC FRACTURING	2/14/2020 - 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
INCREASED DENSITY - 696632 (201902316)	2/19/2020 - GB6 - 17-28N-16W X97151 MISS 1 WELL BCE-MACH LLC 05/24/2019
PENDING CD - 202000313	2/19/2020 - GB6 - (E.O.) 17-28N-16W X97151 MISS COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 330' FWL BCE-MACH LLC REC 02/14/2020 (MILLER)
SPACING - 97151	2/19/2020 - GB6 - (640) 17-28N-16W EXT 47686/64042 MISS, OTHERS EST OTHERS

LEASE NAME: ARNDT TRUST 17-28-16 ACCEPTABLE DRILL SITE? YES WELL NO.: 1H TERRAIN: LOCATION IS ON EXISTING PAD, ARNOT TRUST 1-8H TOWNSHIP: 28N SECTION: 8 RANGE: 16W SURFACE HOLE FOOTAGE: 225' FSL - 503' FWL (SECTION 8) ACCESSIBILITY TO LOCATION: UTILIZE EXISTING GROUND ELEVATION AT SURFACE HOLE: 1771.9' DIRECTIONS: FROM THE INTERSECTION OF HWY 64 AND N2260 RD. HEAD NORTH ON N2260 RD 8.9 MILES. THEN EAST ALONG E0060 RD FOR 2.2 LANDING POINT FOOTAGE: 200' FNL - 660' FWL (SECTION 17) MILES, THEN SOUTH ALONG EXISTING LEASE RD FOR 1.0 MILE TO BOTTOM HOLE FOOTAGE: 150' FSL - 660' FWL (SECTION 17) EXISTING LOCATION. API 151-24593 TOWNSHIP: RANGE: 16W SECTION: 17 28N N=700570 N=700504 E=1721504 E=1726746 8 503' ARNDT TRUST 17-28-16 1H PROPOSED SURFACE HOLE 225' FSL - 503' FWL ELEV. 1771.9' N=697937 N=697865 E=1721486 E=1726718 225' N=697901 E=1724102 PROPOSED LANDING POINT 200' FNL - 660' FWL OK - SPC, NAD27 PROPOSED DRILL PATH N=695303 1" = 1,000' N=695226 E=1721454 E=1726725 PROPOSED BOTTOM HOLE 150' FSL - 660' FWL N=692669 N=692628 N=692587 E=1721422 E=1724077 E=1726731 **ARNDT TRUST 17-28-16 1H** LANDING POINT, BOTTOM HOLE, AND DRILL PATH AND ESSIONAL INFORMATION PROVIDED BY OPERATOR LISTED. PROPOSED SURFACE HOLE PROPOSED LANDING POINT PROPOSED BOTTOM HOLE 225' FSL - 503' FWL 200' FNL - 660' FWL 150' FSL - 660' FWL LAT: 36.91413290 LAT: 36.91296418 LAT: 36.89945375 J. Wyatt ENSED LONG: -98,95087816 LONG: -98,95033966 LONG: -98,95037863 Bishop N= 698154.8 N= 697727.8 N= 692809.1 SRV. E= 1721990.0 E= 1722143.3 E= 1722083.8 2.07.2020 PLEASE NOTE THAT THIS LOCATION WAS STAKED ON THE GROUND UNDER THE SUPERVISION OF A LICENSED PROFESSIONAL LAND SURVEYOR. THE ACCURACY OF THIS EXHIBIT IS NOT 1649 GUARANTEED, PLEASE CONTACT FRONTIER LAND SURVEYING PROMPTLY IF ANY INCONSISTENCY IS DETERMINED, GPS DATA IS OBSERVED FROM RTK-GPS. X AND Y DATA SHOWN HEREON FOR SECTION CORNERS MAY NOT HAVE BEEN SURVEYED ON THE GROUND, AND FURTHERMORE THIS EXHIBIT DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. OF LAHOMA QUARTER SECTION DISTANCE MAY BE ASSUMED FROM A GOVERNMENT SURVEY PLAT OR ASSUMED AT A PROPORTIONATE DISTANCE FROM OPPOSING SECTION CORNERS, OR OCCUPATION THEREOF, AND MAY NOT HAVE BEEN MEASURED ON THE GROUND. ALL VALUES LISTED ARE IN NAD27 HORIZONTALLY AND NAVD88 VERTICALLY. THE LOCATION OF EXISTING WELLS SHOWN ARE APPROXIMATE FROM OKLAHOMA CORPORATION COMMISSION DATA PROVIDED BY OTHERS. **ARNDT TRUST 17-28-16 1H** SHL: 225' FSL - 503' FWL (SECTION 8) 14201 WIRELESS WAY OKC, OK 73134 405.252.8100 BHL: 150' FSL - 660' FWL (SECTION 17) DWG DATE: 02/03/20 DRAWN BY: MDM CHK'D BY: JWB STAKED DATE: 02/04/20 FLS #: 20-0019 SHEET#: 1 OF 5 REV. DWN. DESCRIPTION LOCATED IN THE SW/4 OF SECTION 8 DATE: Land Services & Consulting T28N - R16W I.M. WOODS COUNTY, OKLAHOMA

COUNTY:

WOODS

STATE:

OKLAHOMA

OPERATOR: MACH RESOURCES

311 N. MAIN STREET SEILING, OK 73663

580.922.0356