

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

API NUMBER: 003 23312

Approval Date: 04/24/2018
Expiration Date: 10/24/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 26N Rge: 11W County: ALFALFA
SPOT LOCATION: NW NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 265 1760

Lease Name: B&J HUGHES 34-26-11 Well No: 2H Well will be 265 feet from nearest unit or lease boundary.
Operator Name: BCE-MACH LLC Telephone: 4052528151 OTC/OCC Number: 24174 0

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

B & J HUGHES LIMITED PARTNERSHIP
1123 W. MAIN ST.
CARMEN OK 73726

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	5593	6
2			7
3			8
4			9
5			10

Spacing Orders: 616930

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201802567
201802568

Special Orders:

Total Depth: 10363

Ground Elevation: 1191

Surface Casing: 730

Depth to base of Treatable Water-Bearing FM: 480

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 25000 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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 18-34278

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

HORIZONTAL HOLE 1

Sec 34 Twp 26N Rge 11W County ALFALFA

Spot Location of End Point: S2 S2 SW SE

Feet From: SOUTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 5051

Radius of Turn: 477

Direction: 181

Total Length: 4587

Measured Total Depth: 10388

True Vertical Depth: 5696

End Point Location from Lease,
Unit, or Property Line: 150

Notes:

Category	Description
HYDRAULIC FRACTURING	<p>4/18/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
PENDING - 201802568	<p>4/19/2018 - G57 - (E.O.) 34-26N-11W X616930 MSSP COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 1320' FEL NO OP. NAMED REC 4-24-2018 (DENTON)</p>
PENDING CD - 201802567	<p>4/19/2018 - G57 - 34-26N-11W X616930 MSSP 1 WELL NO OP. NAMED REC 4-24-2018 (DENTON)</p>
SPACING - 616930	<p>4/19/2018 - G57 - (640) 34-26N-11W VAC 52810 MSSLM, OTHER VAC 286744 MSSCT, OTHERS EXT 599978 MSSP, OTHERS</p>

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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.

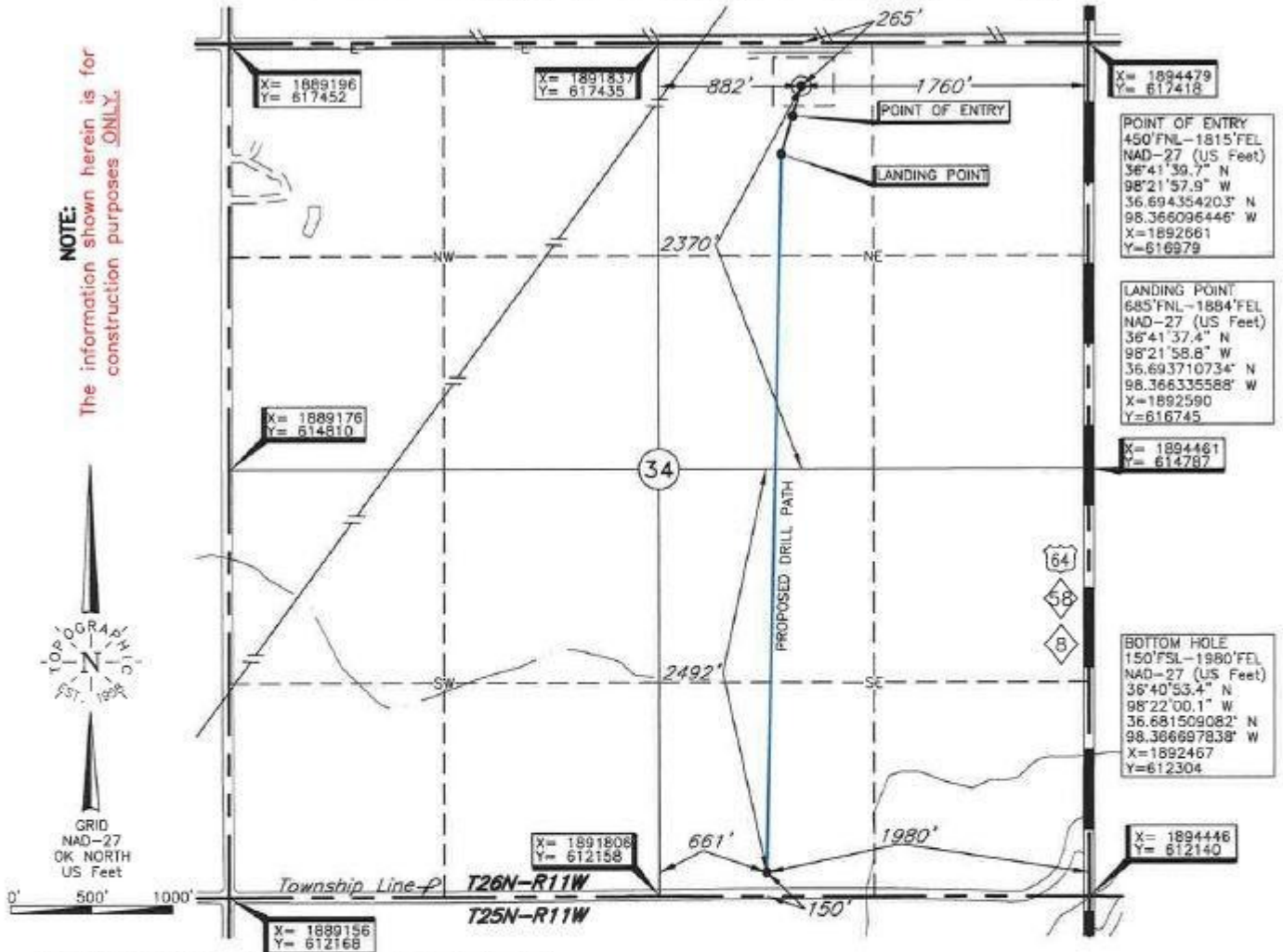
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 Wireless Way, Okla. City, OK, 73134 (405) 843-4847 • OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

ALFALFA

County, Oklahoma

265'FNL - 1760'FEL Section 34 Township 26N Range 11W I.M.



{POINT OF ENTRY, LANDING POINT, BOTTOM HOLE AND DRILL PATH} INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

Operator: MACH RESOURCES **ELEVATION:**
1191' Gr. at Stake

Lease Name: BJ HUGHES 34-26-11 Well No.: 2H

Topography & Vegetation Loc. fell in level alfalfa field, ±207' South of E-W Williams gas pipeline

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From North off county road

Distance & Direction from Hwy Jct or Town From Cherokee, OK, go ±4.0 mi. South on US Hwy. 64 to the NE Cor. of Sec. 34-T26N-R11W

(This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy)

DATUM: NAD-27
 LAT: 36°41'41.5"N
 LONG: 98°21'57.3"W
 LAT: 36.694862928° N
 LONG: 98.365907830° W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1892717
 Y: 617164

Date of Drawing: Apr. 12, 2018
 Invoice # 291649 Date Staked: Apr. 06, 2018 AC

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell
 Oklahoma Lic. No. 1433

