

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

API NUMBER: 003 23328

Approval Date: 08/14/2018
Expiration Date: 02/14/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 28N Rge: 11W County: ALFALFA
SPOT LOCATION: N2 N2 NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 290 1980

Lease Name: FELLERS 31-28-11 Well No: 2H Well will be 290 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

KENNETH L. FELLERS
30865 CR 630
BURLINGTON OK 73722-

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

| Name | Depth | Name | Depth |
|------|---------------|------|-------|
| 1 | MISSISSIPPIAN | 5125 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 599294 Location Exception Orders: 680544 Increased Density Orders: 680543

Pending CD Numbers:

Special Orders:

Total Depth: 9826 Ground Elevation: 1205 **Surface Casing: 580** Depth to base of Treatable Water-Bearing FM: 330

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: 8000

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: 18-34868
H. CLOSED SYSTEM = STEEL PITS (REQUIRED - DRIFTWOOD CREEK)

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 31 Twp 28N Rge 11W County ALFALFA

Spot Location of End Point: S2 S2 SE SW

Feet From: SOUTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 4548

Radius of Turn: 573

Direction: 180

Total Length: 4377

Measured Total Depth: 9826

True Vertical Depth: 5240

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

Notes:

| Category | Description |
|-----------------------------|---|
| HYDRAULIC FRACTURING | 8/10/2018 - 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 - 680543 | 8/14/2018 - G57 - 31-28N-11W X599294 MSSP 1 WELL BCE-MACH, LLC. 7-23-2018 |
| LOCATION EXCEPTION - 680544 | 8/14/2018 - G57 - (I.O.) 31-28N-11W X599294 MSSP COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 660' FWL BCE-MACH, LLC. 7-23-2018 |
| SPACING - 599294 | 8/14/2018 - G57 - (640)(HOR/REG) 31-28N-11W VAC OTHER EXT (REG) OTHERS EST (HOR) MSSP POE TO BHL NCT 660' FB (SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS) |

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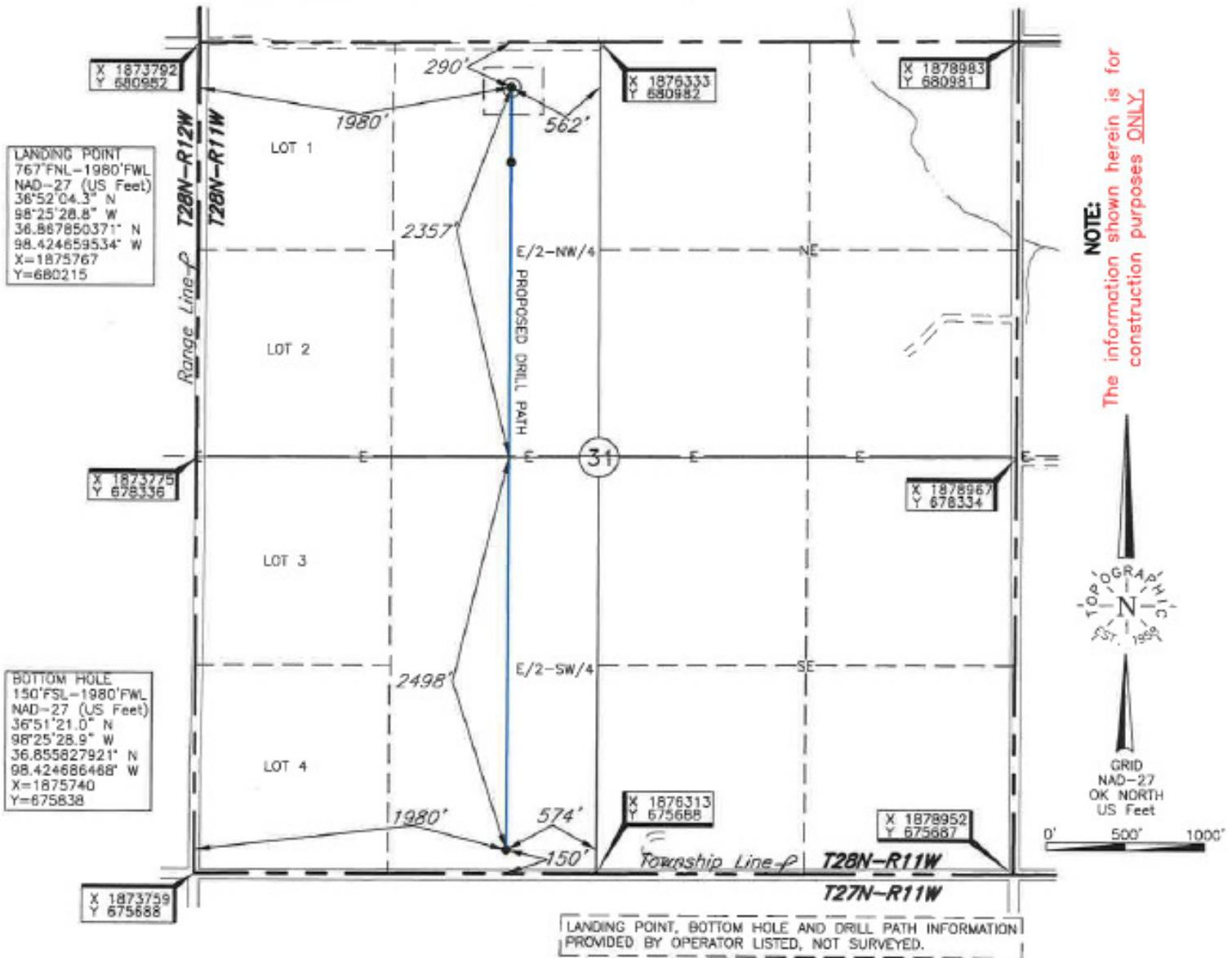
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

290'FNL - 1980'FWL Section 31 Township 28N Range 11W I.M.



Operator: MACH RESOURCES
 Lease Name: FELLERS 31-28-11 Well No.: 2H **ELEVATION:** 1205' Gr. at Stake
 Topography & Vegetation Loc. fell in level plowed field, ±150' South of flagged E-W 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 Burlington, OK, go ±0.5 mi. West, then ±2.0 mi. South to the NW Cor. of Sec. 31-T28N-R11W

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

DATUM: NAD-27
 LAT: 36°52'09.0"N
 LONG: 98°25'28.8"W
 LAT: 36.869160485° N
 LONG: 98.424656599° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1875770
 Y: 680692

Date of Drawing: Aug. 09, 2018
 Invoice # 293503 Date Staked: Aug. 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

