

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

API NUMBER: 003 23358

Approval Date: 01/29/2019
Expiration Date: 07/29/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 28N Rge: 10W County: ALFALFA
SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 260 1105

Lease Name: BILLIE JO 16-25-10 Well No: 2H Well will be 260 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

BILLIE JO HUGHES
APT. 352
6800 S. GRANITE AVENUE
TULSA OK 74136-

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	4925	6
2			7
3			8
4			9
5			10

Spacing Orders: 599257 Location Exception Orders: 687216 Increased Density Orders: 690324

Pending CD Numbers:

Special Orders:

Total Depth: 10087 Ground Elevation: 1190 **Surface Casing: 320** Depth to base of Treatable Water-Bearing FM: 270

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: 18-35870
H. CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST

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 16 Twp 28N Rge 10W County ALFALFA

Spot Location of End Point: N2 N2 NW NE

Feet From: NORTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 4521

Radius of Turn: 766

Direction: 350

Total Length: 4362

Measured Total Depth: 10087

True Vertical Depth: 5055

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

Notes:

Category	Description
HYDRAULIC FRACTURING	12/31/2018 - 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 - 690324	1/29/2019 - G58 - 16-28N-10W X599257 MSSP 2 WELLS BCE-MACH LLC 1/24/2019
LOCATION EXCEPTION - 687216	1/29/2019 - G58 - (I.O.) 16-28N-10W X599257 MSSP COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 1320' FEL BCE-MACH LLC 11/27/2018
SPACING - 599257	1/29/2019 - G58 - (640) 16-28N-10W VAC 244350 MSSP, OTHERS EST OTHER EXT 244350 MSSP

