

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

APPLICANTS:	CHESAPEAKE OPERATING, INC. AND)	
	CHESAPEAKE EXPLORATION, L.L.C.)	
)	Cause CD No.
RELIEF SOUGHT:	WELL LOCATION EXCEPTION)	201106037
)	
LEGAL	SECTION 19)	Order No.
DESCRIPTION:	TOWNSHIP 28 NORTH)	599121
	RANGE 18 WEST OF THE IM)	
	WOODS COUNTY, OKLAHOMA)	

FINAL ORDER OF THE COMMISSION

1. Hearing Date and Place: The captioned cause initially came on for hearing on December 6, 2011, before David Leavitt, Administrative Law Judge for the Corporation Commission of Oklahoma, for the purpose of hearing, taking testimony and reporting his findings and recommendations to the Commission. No protest to this cause was filed or announced before or at the calling of such docket and it was announced at the time this cause was called that Applicants, Chesapeake Operating, Inc. and Chesapeake Exploration, L.L.C., elected to have the merits of this cause reviewed and considered under the optional procedure set forth in OAC 165:5-13-3.1. After the hearing presenting the facts, evidence and testimony in the captioned cause, the Administrative Law Judge recommended that an Interim Order issue in said cause, which Interim Order No. 592166, issued on December 16, 2011. On June 11, 2012, said cause came on for hearing before an Administrative Law Judge, for presentation of additional evidence concerning the bottomhole location of the well and for issuance of the final order in said cause.

2. Appearances: Emily P. Smith, attorney for Applicants, Chesapeake Operating, Inc. and Chesapeake Exploration, L.L.C.

3. Companion Causes: None.

4. Notice and Jurisdiction: Notice has been given by publication as required by Commission rules and affidavits of publication have been filed. Those owners whose names and addresses were attainable have been given actual notice by mail. Applicants have made a meaningful and diligent search of all reasonably available sources at hand to ascertain those parties that are entitled to notice and the whereabouts of those entitled to notice but who were served only by publication. The Commission finds the process to be proper and has jurisdiction over the subject matter and the parties.

5. Amendment: Paragraph 2.2 of the Application is amended to delete all "no closer than" language from the purview of the Application. Further, the surface location and completion interval set out in Paragraph 2.2 of the Application are amended to the locations shown below. The Application is amended to dismiss the Tonkawa, Lansing-Kansas City (also known as the Missourian), Cherokee (also known as the Red Fork), Big Lime and Oswego separate common sources of supply.

6. Relief Requested: Applicants request that the requested off-pattern well be authorized at the location shown in "Relief Granted" herein.

7. Reason Relief Should Be Granted: To require the drilling of the well at its prescribed location would result in waste because the evidence showed it was necessary to move the well location to encounter portions of the primary objective, the Mississippian common source of supply, that will result in an optimal structural position, that combined with the extended lateral, will thereby increase the probability that such well will be a commercially productive well.

8. Relief Granted: The well location exception is granted. The well must be situated:

Surface Location:

200 feet from the south line and 660 feet from the west line of the unit described as Section 19, Township 28 North, Range 18 West of the IM, Woods County, Oklahoma,

Location of Wellbore at Completion Interval:

The casing will be cemented along the entire length of the lateral. The interval from the entry perforation to the terminus perforation is 388 feet from the south line and 699 feet from the west line, at a measured depth of 5615 feet, and 174 feet from the north line and 665 feet from the west line, at a measured depth of 10,341 feet, of the unit comprising said Section 19, Township 28 North, Range 18 West of the IM, Woods County, Oklahoma,

Location at the exit of the Mississippian common source of supply:

The entire perforation interval is located within the Mississippian common source of supply and does not exit the Mississippian common source of supply,

Bottomhole at a Measured Depth of 10,449 feet,

67 feet from the north line and 658 feet from the west line of the unit described as Section 19, Township 28 North, Range 18 West of the IM, Woods County, Oklahoma,

and will be a well for the Mississippian common source of supply, in the 640-acre drilling and spacing unit formed in Section 19, Township 28 North, Range 18 West of the IM, Woods County, Oklahoma, as an exception to Order No. 591815.

9. Allowable: The allowable for the well shall be 100% of a normal allowable for the common source of supply named in this Order.

10. Interim Order No. 592166, dated December 16, 2011, will be replaced by said Final Order issued in this cause.

11. This Order shall expire one year from the date hereof unless operations for the drilling of said well have been completed with due diligence.

12. The well location exception, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and should be permitted at the location set out herein. Chesapeake Exploration, L.L.C., by and through its agent, Chesapeake Operating, Inc., shall be authorized to drill said well as set out herein and IT IS SO ORDERED.

CORPORATION COMMISSION OF OKLAHOMA

Dana L. Murphy

DANA L. MURPHY, Chair

Bob Anthony

BOB ANTHONY, Vice Chairman

Patrice Douglas

PATRICE DOUGLAS, Commissioner

DONE AND PERFORMED THIS 26 day of June 2012.

BY ORDER OF THE COMMISSION

Peggy Mitchell

PEGGY MITCHELL, Commission Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:

Paul E. Porter
Administrative Law Judge

June 11, 2012
Date

John A. Briscoe
Reviewer – Technical Department

Date

Approved as to form and content:

Emily P. Smith
Emily P. Smith