

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

API NUMBER: 149 21656 C

Approval Date: 06/18/2012
Expiration Date: 12/18/2012

Horizontal Hole Oil & Gas

Amend reason: CHANGE BOTTOM HOLE LOCATION; AMEND SURFACE CASING DEPTH

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 11N Rge: 18W County: WASHITA
SPOT LOCATION: SW SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 250 2100

Lease Name: JOYE 5-11-18 Well No: 3H Well will be 250 feet from nearest unit or lease boundary.
Operator Name: CHESAPEAKE OPERATING INC Telephone: 4059357853 OTC/OCC Number: 17441 0

CHESAPEAKE OPERATING INC
P.O. Box 18496
OKLAHOMA CITY, OK 73154-0496

KENNETH & JOYE HARWELL TRUST
4357 W. 170TH STREET
SKIATOOK OK 74070

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

Name	Depth	Name	Depth
1 DES MOINES GRANITE WASH	12341	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 532995 Location Exception Orders: 598003 Increased Density Orders: 597558

Pending CD Numbers: Special Orders:

Total Depth: 17300 Ground Elevation: 1733 Surface Casing: 680 Depth to base of Treatable Water-Bearing FM: 570

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 8000 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: 1B

Liner required for Category: 1B

Pit Location is OTHER HSA
Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-20646

H. PITS 1 & 2 - SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: 3

Liner required for Category: 3

Pit Location is OTHER HSA
Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 05 Twp 11N Rge 18W County WASHITA
Spot Location of End Point: N2 N2 NW NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 1980
Depth of Deviation: 12020
Radius of Turn: 500
Direction: 360
Total Length: 4495
Measured Total Depth: 17300
True Vertical Depth: 12520
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Contains notes for INCREASED DENSITY, LOCATION EXCEPTION, PITS 1 & 2, and SPACING.

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.