

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

API NUMBER: 045 23282

Approval Date: 11/29/2012  
Expiration Date: 05/29/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 21N Rge: 26W County: ELLIS  
SPOT LOCATION:  NE  NW  NW  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 280 2200

Lease Name: KLV 28-21-26 Well No: 1H Well will be 280 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

MARILYN LOUISE DEPRIEST  
ROUTE 2, BOX 100  
SHATTUCK OK 73858

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

	Name	Depth	Name	Depth
1	DOUGLAS	6195	6	
2	TONKAWA	6703	7	
3	COTTAGE GROVE	7305	8	
4	CLEVELAND	7775	9	
5			10	

Spacing Orders: 166331 Location Exception Orders: 604325 Increased Density Orders: 604324

Pending CD Numbers:

Special Orders:

Total Depth: 13052 Ground Elevation: 2363 **Surface Casing: 720** Depth to base of Treatable Water-Bearing FM: 470

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: 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-22018

H. 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 BED AQUIFER
Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 28 Twp 21N Rge 26W County ELLIS
Spot Location of End Point: E2 NW NW NE
Feet From: NORTH 1/4 Section Line: 330
Feet From: EAST 1/4 Section Line: 2200
Depth of Deviation: 7540
Radius of Turn: 361
Direction: 360
Total Length: 4420
Measured Total Depth: 13052
True Vertical Depth: 7901
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

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

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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.