

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

API NUMBER: 009 21856

Approval Date: 06/07/2012
Expiration Date: 06/07/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 11N Rge: 23W County: BECKHAM
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 320 740

Lease Name: TALIAFERRO FAMILY 28-11-23 Well No: 1H Well will be 320 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

TALIAFERRO FAMILY TRUST, A REVOCABLE LIVING TRUST, DATED 1/29/1994 -
1109 OAK HURST DRIVE
BILLIE L. TALIAFERRO SUCCESSOR TRUSTEE
CLOVIS NM 88101

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

	Name	Depth	Name	Depth
1	BROWN DOLOMITE	5400	6	
2	VIRGIL	10015	7	
3	MISSOURI	10825	8	
4			9	
5			10	

Spacing Orders: 83283

Location Exception Orders: 593408

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16050

Ground Elevation: 2030

Surface Casing: 800

Depth to base of Treatable Water-Bearing FM: 700

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: 12-20541

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 28 Twp 11N Rge 23W County BECKHAM
Spot Location of End Point: S2 S2 SW SW
Feet From: SOUTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 10840
Radius of Turn: 500
Direction: 184
Total Length: 4425
Measured Total Depth: 16050
True Vertical Depth: 11340
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Includes entries for LOCATION EXCEPTION - 593408, MEMO, and SPACING - 83283.

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.



12-7-12

Regulatory Department
639410

November 6, 2012

VIA HAND DELIVERED

Oklahoma Corporation Commission
Oil and Gas Conservation Division
P. O. Box 52000-2000
Oklahoma City, OK 73152-2000

RE: Permit Extension of Time
Taliaferro Family 28-11-23 1H
Sec 28-11N-23W
Beckham County, Oklahoma

009-21856

Dear Sir or Madam:

Chesapeake Operating, Inc. respectfully requests a six-month extension of time on the approved permit for the above-referenced well. All information on the permit remains the same. We understand that the extension will be granted for only one six-month period, and once that period has elapsed, the permit and fee must be re submitted.

If you have any questions, please contact me at 405-935-4053.

Sincerely,

Chesapeake Operating, Inc.

Nancy Parker
Regulatory Analyst

Enclosures

SCANNED

Approved for 6 Month
Extension From
12-7-12
12-3-12 UH