

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

API NUMBER: 149 21672

Approval Date: 12/10/2012
Expiration Date: 06/10/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 11N Rge: 16W County: WASHITA
SPOT LOCATION: NE NW NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 280 2200

Lease Name: WHITE ELK 10-11-16 USA 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

BRADLEY JOE SNIDER & CRYSTAL LYNN SNIDER
RT. 1, BOX 3318
CLINTON OK 73601

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

Name	Depth	Name	Depth
1 DES MOINES	12500	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 167057 Location Exception Orders: 598187 Increased Density Orders: 598338
Pending CD Numbers: 201202553 Special Orders:

Total Depth: 17300 Ground Elevation: 1531 **Surface Casing: 600** Depth to base of Treatable Water-Bearing FM: 350

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

H. SEE MEMO

PERMIT NO: 12-22058

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 AP/TE DEPOSIT
Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 10 Twp 11N Rge 16W 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: 11500
Radius of Turn: 550
Direction: 2
Total Length: 4936
Measured Total Depth: 17300
True Vertical Depth: 12500
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Contains notes such as 'INCREASED DENSITY - 598338', 'LOCATION EXCEPTION - 598187', 'MEMO', 'SPACING - 167057', and 'WATERSHED STRUCTURE'.

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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.