

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

API NUMBER: 045 23295

Approval Date: 12/28/2012
Expiration Date: 06/28/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 19N Rge: 25W County: ELLIS
SPOT LOCATION: N2 N2 NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 275 1980

Lease Name: JANET SUE 4-19-25 Well No: 1H Well will be 275 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

MR2, LLC
3001 UNITED FOUNDERS BLVD.
OKLAHOMA CITY OK 73112

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

Name	Depth	Name	Depth
1 CLEVELAND	8906	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 82943 Location Exception Orders: 603043 Increased Density Orders: 603041

Pending CD Numbers: 201206213 Special Orders:

Total Depth: 14080 Ground Elevation: 2517 **Surface Casing: 840** Depth to base of Treatable Water-Bearing FM: 590

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)

H. SEE MEMO

PERMIT NO: 12-22167

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 04 Twp 19N Rge 25W County ELLIS
Spot Location of End Point: C N2 NW NE
Feet From: NORTH 1/4 Section Line: 330
Feet From: EAST 1/4 Section Line: 1980
Depth of Deviation: 8545
Radius of Turn: 361
Direction: 180
Total Length: 4443
Measured Total Depth: 14080
True Vertical Depth: 8906
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Table with 2 columns: Category and Description. Contains notes such as 'INCREASED DENSITY - 603041', 'LOCATION EXCEPTION - 603043', 'MEMO', 'PENDING CD - 201206213', and 'SPACING - 82943'.

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.