

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

API NUMBER: 149 21673

Approval Date: 01/09/2013  
Expiration Date: 07/09/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 11N Rge: 17W County: WASHITA  
SPOT LOCATION:  SE  NE  NE  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 500 2480

Lease Name: HULDA 13-11-17 Well No: 1H Well will be 500 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

MAH HOLDINGS LLC C/O CRAIG CARTER  
772 N. SANTA FE AVE. STE 100  
EDMOND OK 73003

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

Name	Depth	Name	Depth
1 DES MOINES GRANITE WASH	12250	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 544938 Location Exception Orders: 598792 Increased Density Orders: 600890

Pending CD Numbers:

Special Orders:

Total Depth: 17583 Ground Elevation: 1572 Surface Casing: 700 Depth to base of Treatable Water-Bearing FM: 450

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: CLOUD CHIEF

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: 13-22340

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: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 13 Twp 11N Rge 17W County WASHITA
Spot Location of End Point: NE NE NE NW
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 2500
Depth of Deviation: 12071
Radius of Turn: 361
Direction: 1
Total Length: 4420
Measured Total Depth: 17583
True Vertical Depth: 12432
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

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

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