

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

API NUMBER: 045 23300

Approval Date: 01/24/2013
Expiration Date: 07/24/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 20N Rge: 25W County: ELLIS
SPOT LOCATION: N2 N2 NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 280 660

Lease Name: C & E BLACKBURN 15-20-25 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
PO BOX 18496
OKLAHOMA CITY, OK 73154-0496

CHRISTOPHER W. AND ERIC C. BLACKBURN
2965 FAIRWOOD DRIVE
RENO NV 89502

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

	Name	Depth	Name	Depth
1	TONKAWA	7161	6	
2	COTTAGE GROVE	7600	7	
3	CLEVELAND	8193	8	
4	MARMATON	8500	9	
5			10	

Spacing Orders: 504825
605460

Location Exception Orders: 605675

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13100

Ground Elevation: 2390

Surface Casing: 870

Depth to base of Treatable Water-Bearing FM: 620

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: 13-22373

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 15 Twp 20N Rge 25W County ELLIS
Spot Location of End Point: C S2 SW SW
Feet From: SOUTH 1/4 Section Line: 330
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 7521
Radius of Turn: 780
Direction: 360
Total Length: 4487
Measured Total Depth: 13100
True Vertical Depth: 8500
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Table with 2 columns: Category, Description. Contains notes about location exceptions, memos, and spacing for various well identifiers.

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