

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

API NUMBER: 045 23324

Approval Date: 03/27/2013
Expiration Date: 09/27/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 19N Rge: 25W County: ELLIS
SPOT LOCATION: S2 S2 SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 200 660

Lease Name: ROGER GRANT 34-19-25 Well No: 1H Well will be 200 feet from nearest unit or lease boundary.
Operator Name: CHESAPEAKE OPERATING INC Telephone: 4059358143 OTC/OCC Number: 17441 0

CHESAPEAKE OPERATING INC
PO BOX 18496
OKLAHOMA CITY, OK 73154-0496

EDDIE MAX MILLER & SUSAN E. MILLER
RT. 1, BOX 18
ARNETT OK 73832

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

	Name	Depth	Name	Depth
1	DOUGLAS	7800	6	
2	COTTAGE GROVE	8100	7	
3	CLEVELAND	8693	8	
4	MARMATON	9000	9	
5	CHEROKEE	9200	10	

Spacing Orders: 585129 Location Exception Orders: 608088 Increased Density Orders: 608144
153409
88225

Pending CD Numbers: 201301468

Special Orders:

Total Depth: 13800 Ground Elevation: 2264 Surface Casing: 750 Depth to base of Treatable Water-Bearing FM: 500

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: 8000
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: 13-22802

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 34 Twp 19N Rge 25W County ELLIS
Spot Location of End Point: C N2 NW NW
Feet From: NORTH 1/4 Section Line: 330
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 8120
Radius of Turn: 780
Direction: 360
Total Length: 4455
Measured Total Depth: 13800
True Vertical Depth: 9200
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Table with 2 columns: Category, Description. Contains notes on increased density, location exceptions, and spacing for wells in the 34-19N-25W area.

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Category	Description
SPACING - 585129	3/13/2013 - G75 - (640)(HOR) 34-19N-25W EST CLVD, MRMN, CHRK, OTHER POE TO BHL NCT 660' FB (SUPERSEDE SP. ORDER # 88225 CLVD, OSWG, CHRK & ORDER # 153409 BGLM)
SPACING - 88225	3/13/2013 - G75 - (640) 34-19N-25W EXT 82043 TNKW (VAC BY 201301468), OTHERS EXT OTHER EST CGGV, OTHERS

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