

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

API NUMBER: 045 23345

Approval Date: 05/01/2013
Expiration Date: 11/01/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 21N Rge: 25W County: ELLIS
SPOT LOCATION: N2 N2 NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 230 1980

Lease Name: BUKOWSKI 16-21-25 Well No: 1H Well will be 230 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

TIM INGRAM AND RICKY INGRAM
110 MAPLE DRIVE
SHATTUCK OK 73858

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

Name	Depth	Name	Depth
1 CLEVELAND	7555	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 574757 Location Exception Orders: 608685 Increased Density Orders: 608683
Pending CD Numbers: 201301137 Special Orders:

Total Depth: 12450 Ground Elevation: 2193 **Surface Casing: 760** Depth to base of Treatable Water-Bearing FM: 510

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? Y
Wellhead Protection Area? Y
Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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: 13-23216

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? Y
Wellhead Protection Area? Y
Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 3
Liner required for Category: 3
Pit Location is ALLUVIAL
Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 16 Twp 21N Rge 25W County ELLIS
Spot Location of End Point: C N2 NE NW
Feet From: NORTH 1/4 Section Line: 330
Feet From: WEST 1/4 Section Line: 1980
Depth of Deviation: 6900
Radius of Turn: 780
Direction: 360
Total Length: 4458
Measured Total Depth: 12450
True Vertical Depth: 7680
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Table with 2 columns: Category and Description. Contains notes such as 'INCREASED DENSITY - 608683', 'LOCATION EXCEPTION - 608685', 'MEMO', 'MUNICIPAL WATER WELL', 'PENDING CD - 201301137', and 'SPACING - 574757'.

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