

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

API NUMBER: 045 23422

Approval Date: 01/02/2014
Expiration Date: 07/02/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 20N Rge: 25W County: ELLIS
SPOT LOCATION: SE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 240 2030

Lease Name: LA HOOVER 32-20-25 Well No: 1H Well will be 240 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

LOIS ANN SHULTZ
P.O. BOX 347
BOOKER TX 79005

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

	Name	Depth	Name	Depth
1	DOUGLAS	7700	6	
2	TONKAWA	7900	7	
3	COTTAGE GROVE	8100	8	
4	CLEVELAND	8496	9	
5			10	

Spacing Orders: 606091 Location Exception Orders: 612531 Increased Density Orders: 612530
65115

Pending CD Numbers:

Special Orders:

Total Depth: 13600 Ground Elevation: 2488 **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) PERMIT NO: 13-26044
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 32 Twp 20N Rge 25W County ELLIS
Spot Location of End Point: NE NW NW NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 2030
Depth of Deviation: 8057
Radius of Turn: 780
Direction: 360
Total Length: 4451
Measured Total Depth: 13600
True Vertical Depth: 8837
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category and Description. Contains notes about increased density, location exceptions, and spacing for various well categories.

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