

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

API NUMBER: 149 21692

Approval Date: 01/28/2014  
Expiration Date: 07/28/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 11N Rge: 18W County: WASHITA  
SPOT LOCATION:  SW  SW  SW  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 260 2500

Lease Name: PHILLIPS 17-11-18 Well No: 1H Well will be 260 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

EVA SUE PHILLIPS  
3305 CREEKWOOD DRIVE  
LAWRENCE KS 66049

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

Name	Depth	Name	Depth
1 DES MOINES GRANITE WASH	12500	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 281578 Location Exception Orders: 620295 Increased Density Orders: 620215

Pending CD Numbers: Special Orders:

Total Depth: 17450 Ground Elevation: 1793 Surface Casing: 720 Depth to base of Treatable Water-Bearing FM: 470

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: ELK CITY

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: 14-26303

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: ELK CITY

HORIZONTAL HOLE 1

Sec 17 Twp 11N Rge 18W County WASHITA
Spot Location of End Point: NW NW NW NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 2500
Depth of Deviation: 11760
Radius of Turn: 780
Direction: 360
Total Length: 4598
Measured Total Depth: 17450
True Vertical Depth: 12540
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

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

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