

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

API NUMBER: 149 21694

Approval Date: 01/29/2014
Expiration Date: 07/29/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 06 Twp: 11N Rge: 17W County: WASHITA
SPOT LOCATION: SW SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 200 2500

Lease Name: AR 6-11-17 Well No: 3H 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

PATRICIA LITCKE
P.O. BOX 32
BESSIE OK 73622

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

	Name	Depth	Name	Depth
1	VIRGILIAN	8500	6	
2	MISSOURIAN	10500	7	
3	DES MOINES	12300	8	
4			9	
5			10	

Spacing Orders: 556539 Location Exception Orders: 619696 Increased Density Orders: 619691

Pending CD Numbers:

Special Orders:

Total Depth: 17200 Ground Elevation: 1680 **Surface Casing: 810** Depth to base of Treatable Water-Bearing FM: 560

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 OTHER HSA

Pit Location Formation: DOXEY

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: 14-26243

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 OTHER HSA
Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 06 Twp 11N Rge 17W 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: 11670
Radius of Turn: 780
Direction: 360
Total Length: 4438
Measured Total Depth: 17200
True Vertical Depth: 12450
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category and Description. Contains notes such as 'INCREASED DENSITY - 619691', 'LOCATION EXCEPTION - 619696', 'MEMO', 'SPACING - 556539', and 'WATERSHED STRUCTURE'.

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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.