

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

API NUMBER: 073 25606

Approval Date: 04/11/2017  
Expiration Date: 10/11/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 17N Rge: 6W

County: KINGFISHER

SPOT LOCATION:  SW  SW  SW  SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 246 311

Lease Name: OK STATE 18-17-6

Well No: 2H

Well will be 246 feet from nearest unit or lease boundary.

Operator Name: CHESAPEAKE OPERATING LLC

Telephone: 4059353425; 4059358

OTC/OCC Number: 17441 0

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

JAMES KIRK KILLION  
58881 E. 301 LANE  
GROVE OK 74344

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

	Name	Depth	Name	Depth
1	BIG LIME	6420	6	
2	OSWEGO	6490	7	
3			8	
4			9	
5			10	

Spacing Orders: 652371

Location Exception Orders: 657301

Increased Density Orders: 657300

Pending CD Numbers:

Special Orders:

Total Depth: 11750

Ground Elevation: 1012

**Surface Casing: 470**

Depth to base of Treatable Water-Bearing FM: 220

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

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: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31762

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 18 Twp 17N Rge 6W County KINGFISHER

Spot Location of End Point: C N2 N2 N2

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 2640

Depth of Deviation: 4805

Radius of Turn: 1480

Direction: 23

Total Length: 4620

Measured Total Depth: 11750

True Vertical Depth: 6605

End Point Location from Lease,  
Unit, or Property Line: 330

Notes:

Category	Description
HYDRAULIC FRACTURING	4/11/2017 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE
INCREASED DENSITY - 657300	4/11/2017 - G75 - 18-17N-6W X652371 BGLM, OSWG 2 WELLS CHESAPEAKE OP., L.L.C. 10-26-2016
LOCATION EXCEPTION - 657301	4/11/2017 - G75 - (I.O.) 18-17N-6W X652371 BGLM, OSWG COMPL. INT. NCT 330' FSL, NCT 330' FNL, NCT 1320' FEL & FWL CHESAPEAKE OP., L.L.C. 10-26-2016
SPACING - 652371	4/11/2017 - G75 - (640)(HOR) 18-17N-6W EST BGLM, OSWG POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 57462/57687 BGLM & ORDER # 58569 OSWG)
SURFACE CASING	4/11/2017 - G71 - MIN. 300' PER ORDER # 23720/41036/42410



API 073-25606

April 5, 2017

Mr. Dan Walkup  
Oklahoma Corporation Commission  
Oil & Gas Conservation Division  
P.O. Box 52000  
Oklahoma City, OK 73152-2000

Re: **Application for Intent to Drill**

Well Name: OK State 18-17-6 1H, OK State 18-17-6 2H, & OK State 18-17-6 3H  
Surface Location: Sec 18, T17N, R6W  
Kingfisher Co., OK

Dear Mr. Walkup:

The OK State wells each have a planned total depth of approximately 11,750' MD. Pursuant to Field Rules (Orders) 23720/41036/42410, Chesapeake intends to set a surface casing string at least 50' below all domestic fresh water; but not less than 300', and cement will be circulated to surface on both wells. A rotating head will be installed prior to drilling out of the shoe of the surface casings in order to maintain control of the well in accordance with OAC 165:10-3-4(i).

In addition to the surface casing strings, an intermediate casing string will be set at least 1,500' MD to provide a more competent casing seat to reach our next casing setting depth. Cement will be circulated to surface on the intermediate casing strings. BOP equipment will be installed prior to drilling out of the shoe of the intermediate casings in order to maintain control of the well in accordance with OAC 165:10-3-4(i).

A search has been made of wells in the adjacent sections and no evidence of lost circulation has been found to have occurred during the drilling of the surface hole interval. A second search has been made of wells in the adjacent sections and none have been found to have significant annular pressure.

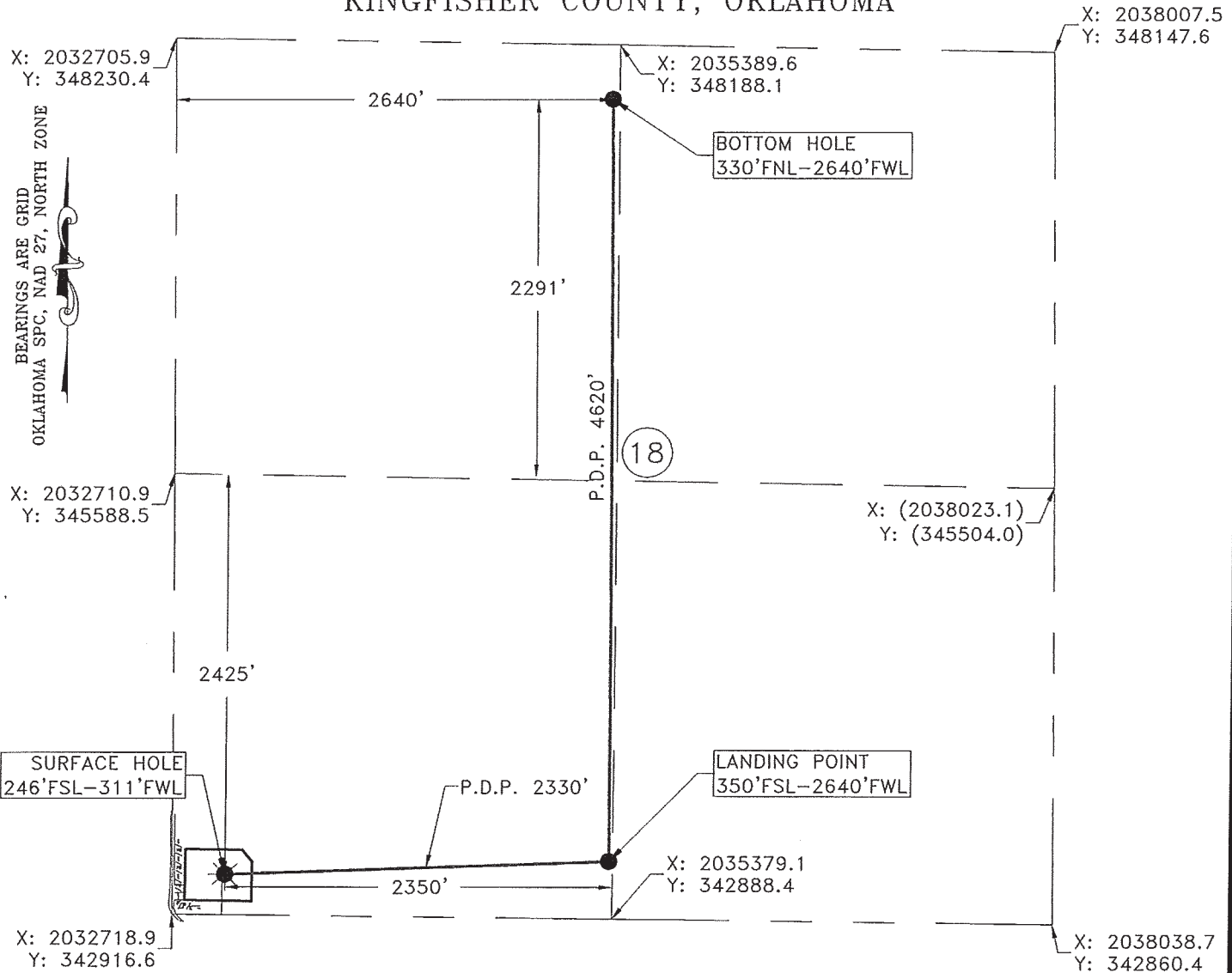
If you have any questions or comments please contact me at 405-935-7433.

Best Regards,

A handwritten signature in black ink that reads "Peter Burke".

Drilling Engineer  
Peter Burke

SECTION 18, T 17 N - R 06 W, I.M.,  
KINGFISHER COUNTY, OKLAHOMA



Operator: CHESAPEAKE OPERATING, L.L.C. Date Staked: 9/22/2016  
 Lease Name: OK STATE 18-17-6 Well No.: 2H Elevation: 1012'  
 Topography and Vegetation: PASTURE  
 Good Drill Site? YES Reference or Alt. Location Stakes Set: NONE  
 Best Accessibility to Location: FROM COUNTY ROAD  
 Distance and Direction from Hwy. Jct. or town: FROM DOVER GO SOUTH ON US HW 81 FOR 1.5 MILES  
TURN EAST 1.4 MILES ON CO. RD. E0730, TURN SOUTH ON CO. RD. N2870, 0.95 MILES, TURN EAST INTO LOCATION

**LEGEND**

SURFACE LOCATION

EXISTING WELL BOTTOM HOLE/LANDING POINT

PROPOSED DRILL PATH

EXISTING PIPELINE

ELECTRIC LINE

OVERHEAD POWER

FENCE

Chesapeake Operating, Inc.

PO. BOX 960  
MEEKER, OK 74854  
OFF. (405) 273-0954  
FAX (405) 273-0580  
C.A. NO. 4091 (LS)  
EXP. DATE 6-30-2018

**Gateway**  
Gateway Services Group, LLC

FRED ANTHONY SELENSKY  
 OKLAHOMA L.P.'S. No.: 1860  
 DATE: 10-5-2016

**LICENSED PROFESSIONAL LAND SURVEYOR**  
 FRED ANTHONY SELENSKY  
 10-5-2016  
 1860  
 OKLAHOMA

**EXHIBIT "A" PRELIMINARY**  
 OK STATE 18-17-6 2H  
 246'FSL - 311'FWL  
 SW/4 SECTION 18, T 17 N - R 06 W, I.M.,  
 KINGFISHER COUNTY, OKLAHOMA

**NOTE:**  
 This is a plat of a proposed well location and does not represent a true boundary survey. The information shown hereon shall not be relied upon for the location or establishment of land boundary lines. All of the positions shown hereon have not been verified as being actual Section, Quarter or Property corners. Positions shown in (Parentheses) are based upon local occupation and improvements or calculated per proportional measurement and/or G.L.O. record distances. Review this plat and notify Gateway Services Group, LLC immediately of any possible discrepancy.

DRAWN BY: RLG		DATE: 9/26/16	CHK'D: GSG
GATEWAY NO.: 16-0272-203		SCALE: 1"=1000'	
PAD PN#: 928846		WELL PN#: 658604	
REV.	DWN.	DESCRIPTION	DATE