

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

APPLICANTS:	CHESAPEAKE OPERATING, INC. AND)	
	CHESAPEAKE EXPLORATION, L.L.C.)	
)	Cause CD No.
RELIEF SOUGHT:	INCREASED WELL DENSITY)	
)	201201911
LEGAL	SECTION 2)	
DESCRIPTION:	TOWNSHIP 28 NORTH)	Order No.
	RANGE 14 WEST OF THE 10 TH)	
	WOODS COUNTY, OKLAHOMA)	596713

ORDER OF THE COMMISSION

1. Hearing Date and Place: 8:30 a.m., on the 17th day of April, 2012, Jim Thorpe Building, Oklahoma City, Oklahoma. No protest to this cause was filed or announced before or at the calling of such docket and it was announced at the time this cause was called that Applicants, Chesapeake Operating, Inc. and Chesapeake Exploration, L.L.C., elected to have the merits of this cause reviewed and considered under the optional procedure set forth in OAC 165:5-13-3.1.

2. Appearances: Emily P. Smith, attorney for Applicants, Chesapeake Operating, Inc. and Chesapeake Exploration, L.L.C.

3. Companion Causes: Cause CD No. 201201912

4. Notice and Jurisdiction: Notice has been given by publication as required by Commission rules and affidavits of publication have been filed. Those owners whose names and addresses were attainable have been given actual notice by mail. Applicants have made a meaningful and diligent search of all reasonably available sources at hand to ascertain those parties that are entitled to notice and the whereabouts of those entitled to notice but who were served only by publication. The Commission finds the process to be proper and has jurisdiction over the subject matter and the parties.

5. Amendment: None.

6. Relief Requested: Applicants request that a single increased density well be authorized as shown in "Relief Granted" herein.

7. Reason Relief Should Be Granted: The drilling of a single increased density well is necessary to effectively and efficiently drain a portion of the drilling and spacing unit and common source of supply, as shown in "Relief Granted" herein. The evidence showed that original recoverable oil in place from the mapped portion of the Mississippi Lime common source of supply is approximately 1,552,869 BBLS. Without this increased density well, only approximately 5,783 BBLS will be recovered from the existing unit well. It is therefore necessary to authorize one additional well in order to recover all of the recoverable hydrocarbons.

8. Relief Granted: The requested increased density well is authorized. The well is permitted for the Mississippi Lime common source of supply underlying Section 2, Township 28

North, Range 14 West of the IM, Woods County, Oklahoma, a 640-acre drilling and spacing unit, as an exception to Order No. 100277.

9. Allowable: If the well is a gas well, a normal gas well allowable as established by geological and engineering exhibits filed in the cause. All gas wells on the unit will share a single-unit gas allowable for said common source of supply. If the well is completed as an oil well, an 80-acre allowable for oil should be received based upon depth and acreage.

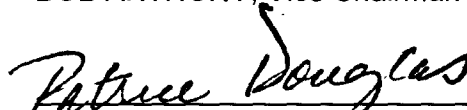
10. The increased density well, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and Chesapeake Exploration, L.L.C., by and through its agent, Chesapeake Operating, Inc., shall be authorized to drill said well as set out herein and IT IS SO ORDERED.

11. This order shall expire one year from the date hereof unless operations for the drilling of said well have been commenced.

CORPORATION COMMISSION OF OKLAHOMA


DANA L. MURPHY, Chair


BOB ANTHONY, Vice Chairman


PATRICE DOUGLAS, Commissioner

DONE AND PERFORMED THIS 20 day of April 2012.

BY ORDER OF THE COMMISSION


PEGGY MITCHELL, Commission Secretary


REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:

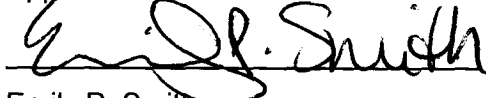

Administrative Law Judge

17 April 2012
Date


Reviewer – Technical Department

Date

Approved as to form and content:


Emily P. Smith