

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

API NUMBER: 045 23316

Approval Date: 03/07/2013
Expiration Date: 09/07/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 19N Rge: 25W County: ELLIS
SPOT LOCATION: SE NW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 500 940

Lease Name: GWENDOLINE 26-19-25 Well No: 1H Well will be 500 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

EDDIE MAX MILLER
HC3 BOX 47
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 CHASE	2795	6 CHECKERBOARD	8575
2 COUNCIL GROVE	4950	7 CLEVELAND	8675
3 HOOVER	6270	8	
4 DOUGLAS	7110	9	
5 COTTAGE GROVE	8090	10	

Spacing Orders: 479124 Location Exception Orders: 607876 Increased Density Orders: 607874

Pending CD Numbers:

Special Orders:

Total Depth: 14200 Ground Elevation: 2257 **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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: 13-22801

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 AP/TE DEPOSIT
Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 26 Twp 19N Rge 25W County ELLIS
Spot Location of End Point: C N2 NE NE
Feet From: NORTH 1/4 Section Line: 330
Feet From: EAST 1/4 Section Line: 660
Depth of Deviation: 8649
Radius of Turn: 361
Direction: 360
Total Length: 4459
Measured Total Depth: 14200
True Vertical Depth: 9010
End Point Location from Lease,
Unit, or Property Line: 330

Additional Surface Owner Address City, State, Zip
SUSAN E. MILLER HC 63 BOX 47 ARNETT, OK 73832

Notes:

Table with 2 columns: Category, Description. Rows include INCREASED DENSITY - 607874, LOCATION EXCEPTION - 607876, MEMO, and SPACING - 479124.

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