

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

API NUMBER: 009 21882

Approval Date: 03/27/2013

Expiration Date: 09/27/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 11N Rge: 26W County: BECKHAM
SPOT LOCATION: SE NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 340 1295

Lease Name: KRY 33-11-26 Well No: 2H Well will be 340 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

KULA RAE YORK
312 PEGGY DRIVE
ELK CITY OK 73644

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

	Name	Depth	Name	Depth
1	PERMIAN LOWER(CHASE GP & BROWN DOLO)	4400	6	
2	VIRGIL	5620	7	
3	GRANITE WASH UP (MO)	10380	8	
4			9	
5			10	

Spacing Orders: 157235

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201301472

Special Orders:

Total Depth: 16456

Ground Elevation: 2189

Surface Casing: 390

Depth to base of Treatable Water-Bearing FM: 140

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: 8000

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: 13-22889

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 33 Twp 11N Rge 26W County BECKHAM
Spot Location of End Point: S2 S2 SW SW
Feet From: SOUTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 10944
Radius of Turn: 567
Direction: 187
Total Length: 4621
Measured Total Depth: 16456
True Vertical Depth: 11305
End Point Location from Lease,
Unit, or Property Line: 200

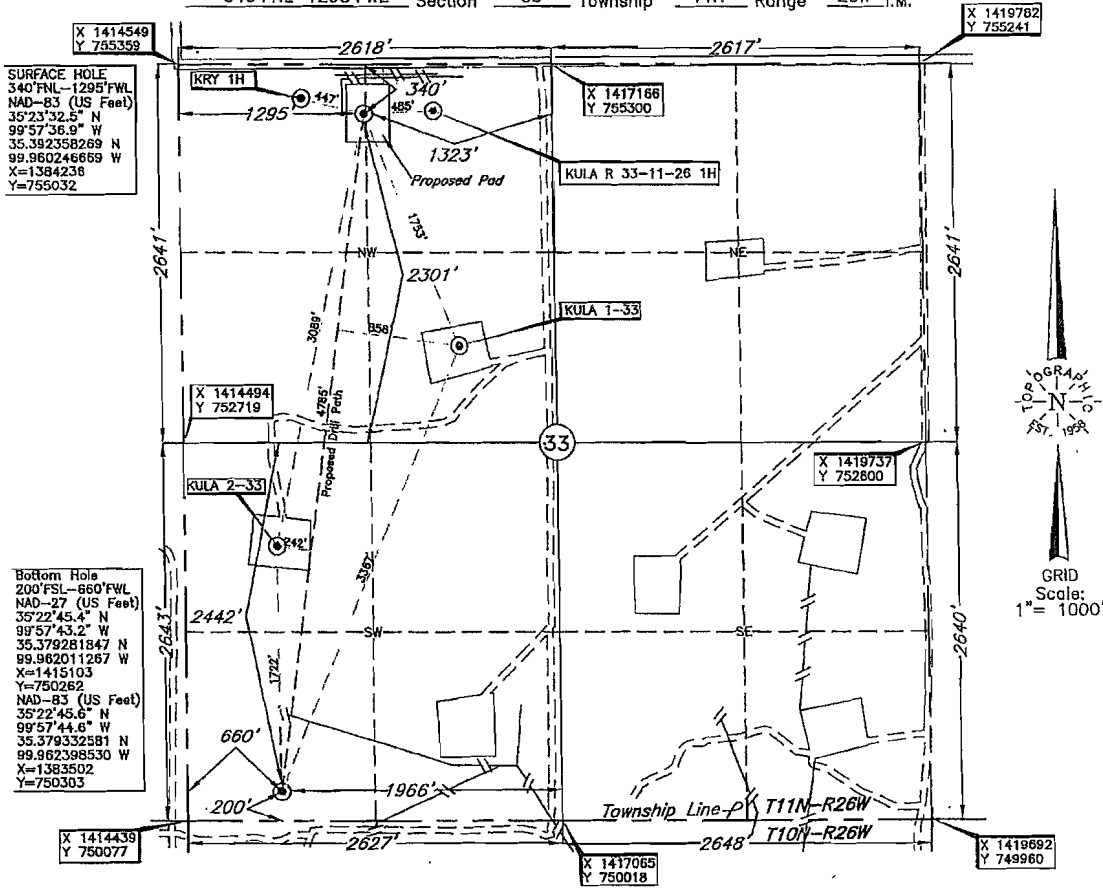
Notes:

Table with 2 columns: Category, Description. Contains notes for MEMO, PENDING CD - 201301472, and SPACING - 157235.

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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.

BECKHAM County, Oklahoma

340° FNL-1295° FWL Section 33 Township 11N Range 26W I.M.



API
 009-21882

SURFACE HOLE
 340° FNL-1295° FWL
 NAD-83 (US Feet)
 35°23'32.5" N
 99°57'36.9" W
 35.392358269 N
 99.960246659 W
 X=1384236
 Y=755032

Bottom Hole
 200° FSL-660° FWL
 NAD-27 (US Feet)
 35°22'45.4" N
 99°57'43.2" W
 35.379281847 N
 99.982011267 W
 X=1415103
 Y=750262
 NAD-83 (US Feet)
 35°22'45.6" N
 99°57'44.6" W
 35.379332581 N
 99.982398530 W
 X=1383502
 Y=750303

Distance from existing well to SHL:	
KRY 1H	447'
KULA R 33-11-26 1H	485'
KULA 1-33	1753'
KULA 2-33	3089'

Distance from existing well to P.D.P.:	
KULA 1-33	858'
KULA 2-33	242'

Distance from existing well to BHL:	
KULA 1-33	3367'
KULA 2-33	1722'

Bottom Hole Information Provided by Operator Listed, NOT Surveyed. Corner Coordinates are Taken from Points Surveyed in the Field.

Operator: CHESAPEAKE OPERATING, INC. Well No.: 2H **ELEVATION:** 2189' Gr. at Stake

Lease Name: KRY 33-11-26

Topography & Vegetation Loc. fell in sloping pasture, ±244' South of pipeline, ±153' East of pipeline

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

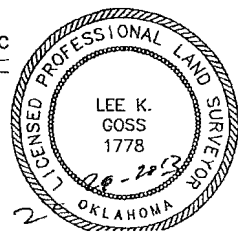
Best Accessibility to Location From North off county road

Distance & Direction from Hwy Jct or Town From Sweetwater, OK, go ±2 miles South, then ±3 miles West to the NW Cor. of Sec. 33-T11N-R26W

DATUM: NAD-27
 LAT: 35°23'32.3"N
 LONG: 99°57'35.5"W
 LAT: 35.392307722
 LONG: 99.959859234
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK SOUTH
 X: 1415837
 Y: 754900

Date of Drawing: Feb. 22, 2013
 Invoice # 197219 Date Staked: Feb. 21, 2013 LC

CERTIFICATE:
 I, Lee K. Goss a Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.



SCANNED