

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

API NUMBER: 045 23363

Approval Date: 06/13/2013
Expiration Date: 12/13/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 17N Rge: 24W County: ELLIS
SPOT LOCATION: NW NE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 200 2020

Lease Name: GROSS 17-17-24 Well No: 1H 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

MICHAEL & BRENDA GROSS
HCR 63, BOX 49
ARNETT OK 73832

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

	Name	Depth	Name	Depth
1	CLEVELAND	9286	6	
2	MARMATON	9500	7	
3			8	
4			9	
5			10	

Spacing Orders: 181167
611730

Location Exception Orders: 611990

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14700

Ground Elevation: 2233

Surface Casing: 620

Depth to base of Treatable Water-Bearing FM: 370

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 BED AQUIFER

Pit Location Formation: CLOUD CHIEF

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: 13-23367

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 BED AQUIFER
Pit Location Formation: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 17 Twp 17N Rge 24W County ELLIS
Spot Location of End Point: N2 N2 NE NW
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 1980
Depth of Deviation: 8743
Radius of Turn: 780
Direction: 359
Total Length: 4732
Measured Total Depth: 14700
True Vertical Depth: 9656
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Includes entries for LOCATION EXCEPTION - 611990, MEMO, SPACING - 181167, and SPACING - 611730.

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