

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

API NUMBER: 045 23365

Approval Date: 06/14/2013
Expiration Date: 12/14/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 21N Rge: 26W County: ELLIS
SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 261 700

Lease Name: MGS 27-21-26 Well No: 1H Well will be 261 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

GARTH WEIDNER LIVING TRUST
13895 COUNTY ROAD 29
FOLLETT TX 79034

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

Name	Depth	Name	Depth
1 CLEVELAND	7724	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 612524

Location Exception Orders: 612525

Increased Density Orders:

Pending CD Numbers: 201303016

Special Orders:

Total Depth: 12500

Ground Elevation: 2296

Surface Casing: 750

Depth to base of Treatable Water-Bearing FM: 500

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: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 13-23582

H. SEE MEMO

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: 160000
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: OGALLALA

HORIZONTAL HOLE 1

Sec 27 Twp 21N Rge 26W County ELLIS
Spot Location of End Point: N2 N2 NE NE
Feet From: NORTH 1/4 Section Line: 230
Feet From: EAST 1/4 Section Line: 660
Depth of Deviation: 6822
Radius of Turn: 780
Direction: 1
Total Length: 4453
Measured Total Depth: 12500
True Vertical Depth: 7735
End Point Location from Lease,
Unit, or Property Line: 230

Notes:

Table with 2 columns: Category, Description. Contains notes for EXCEPTION TO RULE - 612525, MEMO, PENDING CD - 201303016, and SPACING - 612524.

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.



API
045-23365

June, 12th, 2013

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: MGS 27-21-26 1H
Surface Location : 261' FSL, 700' FEL
Ellis County, OK

Dear Mr. Walkup:

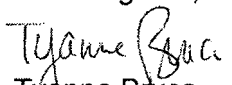
This well has a planned total depth of approximately 12,500'. Pursuant to OAC 165:10-3-4(c), Chesapeake intends to set a surface casing string to the greater of 90' below the surface; or at least 50' but no more than 250' below the base of treatable water, and cement will be circulated to surface. A rotating head will be installed prior to drilling out of the shoe of the surface casing in order to maintain control of the well in accordance with OAC 165:10-3-4(i).

In addition to the surface casing string, an intermediate casing string will be set at least 1,500' to provide a more competent casing seat to reach our next casing setting depth. BOP equipment will be installed prior to drilling out of the shoe of the intermediate casing 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 405-935-1486.

Best Regards,


Tyanne Bruce
Drilling Engineer

Chesapeake Energy Corporation
P.O. Box 18496 • Oklahoma City, OK 73154-0496 • 6100 N. Western Avenue • Oklahoma City, OK 73118
405-xxx-xxxx • fax 405-xxx-xxxx • xxx@chk.com