

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

API NUMBER: 045 23369

Approval Date: 07/09/2013
Expiration Date: 01/09/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 18N Rge: 24W County: ELLIS
SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 200 760

Lease Name: ARMOUR 27-18-24 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

SHIRLEY M. ARMOUR
3725 WREN AVE.
FORT WORTH TX 76133

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

Name	Depth	Name	Depth
1 CLEVELAND	9117	6	
2 MARMATON	9400	7	
3		8	
4		9	
5		10	

Spacing Orders: 593424 Location Exception Orders: 612434 Increased Density Orders: 612433
577117
584466

Pending CD Numbers: Special Orders:
Total Depth: 14100 Ground Elevation: 2415 **Surface Casing: 960** Depth to base of Treatable Water-Bearing FM: 710

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.

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23787
- H. SEE MEMO

Category of Pit: 1B
Liner required for Category: 1B
Pit Location is BED AQUIFER
Pit Location Formation: OGALLALA

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: OGALLALA

HORIZONTAL HOLE 1

Sec 27 Twp 18N Rge 24W County ELLIS
Spot Location of End Point: NE NW NE NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 760
Depth of Deviation: 8660
Radius of Turn: 780
Direction: 360
Total Length: 4215
Measured Total Depth: 14100
True Vertical Depth: 9440
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category and Description. Contains notes such as 'INCREASED DENSITY - 612433', 'LOCATION EXCEPTION - 612434', 'MEMO', 'SPACING - 577117', 'SPACING - 584466', and 'SPACING - 593424'.

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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.