API NUMBER: 149 21685

Horizontal Hole Oil & Gas

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

Approval Date: 07/31/2013
Expiration Date: 01/31/2014

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 11N Rge: 19W County: WASHITA

SPOT LOCATION: NW NW NW NE

FEET FROM QUARTER: FROM **NORTH** FROM **EAST**

SECTION LINES: **240** **2575**

Lease Name: PENDLETON 11-11-19 **Well No: 3H** **Well will be 240 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 ANN PENDLETON
P.O. BOX 100
FOSS OK 73647

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

	Name	Depth		Name	Depth
1	BROWN DOLOMITE	4400	6	DES MOINES	11500
2	PERMIAN GRANITE WASH	5200	7		
3	TONKAWA UP (DOUGLAS)	8850	8		
4	TONKAWA LOW	9700	9		
5	HOXBAR	10150	10		

Spacing Orders: 131149

Location Exception Orders: 613989

Increased Density Orders: 613988

Pending CD Numbers:

Special Orders:

Total Depth: 17769 Ground Elevation: 1733 **Surface Casing: 640** Depth to base of Treatable Water-Bearing FM: 390

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? Y

Pit **is** located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23943

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: 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? Y

Pit **is** located in a Hydrologically Sensitive Area.

Category of Pit: 3

Liner required for Category: 3

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 11 Twp 11N Rge 19W County WASHITA

Spot Location of End Point: N2 N2 N2 N2

Feet From: NORTH 1/4 Section Line: 200

Feet From: EAST 1/4 Section Line: 2640

Depth of Deviation: 12257

Radius of Turn: 361

Direction: 359

Total Length: 4420

Measured Total Depth: 17769

True Vertical Depth: 12618

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category	Description
INCREASED DENSITY - 613988	7/31/2013 - G30 - 11-11N-19W X131149 DSMN 1 WELL CHESAPEAKE OPERATING, INC. 7/18/13
LOCATION EXCEPTION - 613989	7/31/2013 - G30 - (I.O.) 11-11N-19W X131149 DSMN, BRWDO, PMGW, TKUDG, TNKWL, HXBR COMP. INT. NCT 300 FNL, NCT 300 FSL, NCT 1980 FEL CHESAPEAKE OPERATING, INC. 7/18/13
MEMO	7/31/2013 - G71 - PITS 1 & 2 - CONCRETE LINED PIT PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 131149	7/31/2013 - G30 - (640) 11-11N-19W EST BRWDO, PMGW, TKUDG, TNKWL, HXBR, DSMN, OTHERS
WELLHEAD PROTECTION AREA	7/31/2013 - G71 - FOSS - 1 WPA, NE/4 11-11N-19W

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