

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

API NUMBER: 129 23874

Approval Date: 09/24/2013  
Expiration Date: 03/24/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 06 Twp: 11N Rge: 26W County: ROGER MILLS  
SPOT LOCATION:  NE  NW  NW  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 205 435

Lease Name: STATELINE 6-11-26 Well No: 4H Well will be 205 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

EDWARD & WILMA FOWLER  
RT. 1, BOX 56  
SWEETWATER OK 73666

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

	Name	Depth	Name	Depth
1	HERINGTON	4680	6	
2	VIRGIL	6240	7	
3	MISSOURIAN	10620	8	
4	DES MOINES	12520	9	
5			10	

Spacing Orders: 490876 Location Exception Orders: 594537 Increased Density Orders: 594536  
607973 607972  
594973  
607974

Pending CD Numbers:

Special Orders:

Total Depth: 18046 Ground Elevation: 2248 **Surface Casing: 760** Depth to base of Treatable Water-Bearing FM: 510

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)

H. SEE MEMO

PERMIT NO: 13-24423

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 06 Twp 11N Rge 26W County ROGER MILLS
Spot Location of End Point: S2 S2 SW SW
Feet From: SOUTH 1/4 Section Line: 100
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 12534
Radius of Turn: 567
Direction: 178
Total Length: 4621
Measured Total Depth: 18046
True Vertical Depth: 12895
End Point Location from Lease,
Unit, or Property Line: 100

Notes:

Table with 2 columns: Category and Description. Contains notes about exceptions to rule and increased density for various well locations and dates.

\*\* ITD HAS SHL AS 435 FWL; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

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Category	Description
LOCATION EXCEPTION - 607973	9/19/2013 - G75 - EXTEND 594537 UNTIL 2-24-2014
MEMO	9/19/2013 - G71 - PIT 1 & 2 - CONCRETE-LINED PIT PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
SPACING - 490876	9/19/2013 - G75 - (659.42)(IRR UNIT) 6-11N-26W & FRAC SEC 1-11N-27W EXT 131389 HRNG, VRGL, MSRN, DSMN, OTHERS

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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.

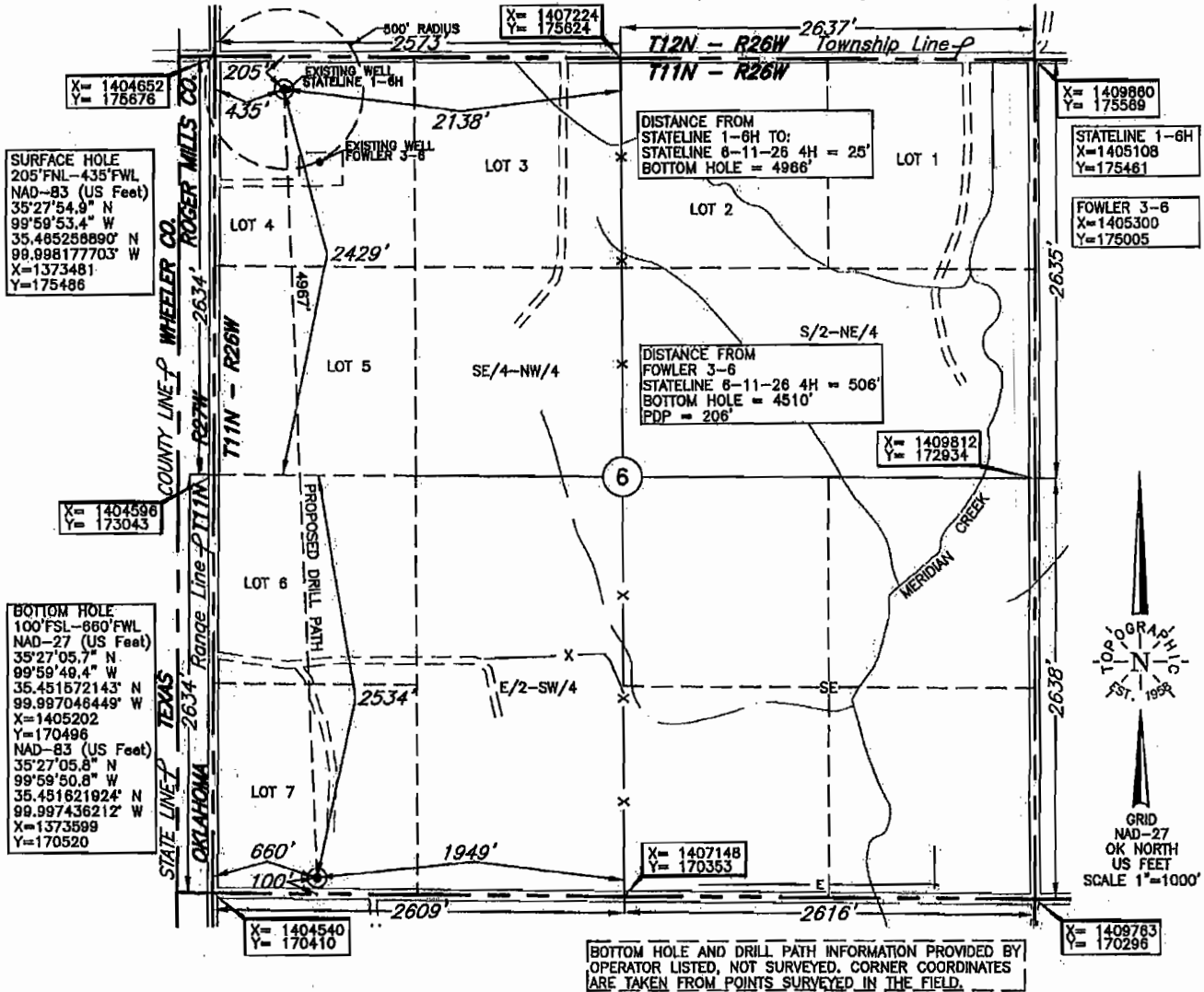
**TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA**  
 6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 \* LOCAL (405) 843-4847 \* OUT OF STATE (800) 654-3219  
 Certificate of Authorization No. 1293.

API  
129-23874

ROGER MILLS

County, Oklahoma

205'FNL - 435'FWL Section 6 Township 11N Range 26W I.M.

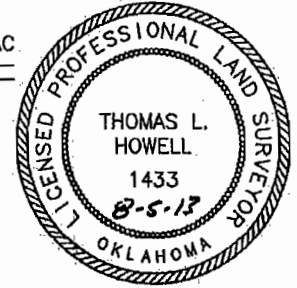


Operator: CHESAPEAKE OPERATING, INC.  
 Lease Name: STATELINE 6-11-26 Well No.: 4H ELEVATION: 2248' Gr. on level pad  
 Topography & Vegetation Loc. fell on existing pad, 25' West of existing well  
 Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None  
 Best Accessibility to Location From South off existing lease road  
 Distance & Direction From Oklahoma-Texas State Line on St. Hwy. 152 E-W, go ±2.5 mi. North to the NW Cor. of Sec. 6-T11N-R26W

DATUM: NAD-27  
 LAT: 35°27'54.7"N  
 LONG: 99°59'52.0"W  
 LAT: 35.465207310° N  
 LONG: 99.997787662° W  
 STATE PLANE COORDINATES: (US Feet)  
 ZONE: OK NORTH  
 X: 1405083  
 Y: 175462

Date of Drawing: Aug. 01, 2013  
 Invoice # 205093 Date Staked: Jul. 29, 2013 AC

**CERTIFICATE:**  
 I, Thomas L. Howell 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.  
Thomas L. Howell  
 Oklahoma Lic. No. 1433



This information was gathered with a GPS receiver with ±1.0' accuracy.