

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

API NUMBER: 045 23450 A

Approval Date: 03/17/2014  
Expiration Date: 09/17/2014

Horizontal Hole Oil & Gas

Amend reason: REQUEST DEEP SURFACE CASING

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 19N Rge: 26W County: ELLIS  
SPOT LOCATION:  SE  SE  SE  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 220 2470

Lease Name: OTHEL 33-19-26 Well No: 1H Well will be 220 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

JACK WILSON  
134 JUNIPER LANE  
BOERNE TX 78006

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

Name	Depth	Name	Depth
1 BROWN DOLOMITE	6500	6 MARMATON	8800
2 DOUGLAS	7000	7	
3 TONKAWA	7438	8	
4 COTTAGE GROVE	8000	9	
5 CLEVELAND	8647	10	

Spacing Orders: 100596  
484435  
622296

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201400882

Special Orders:

Total Depth: 13800

Ground Elevation: 2339

**Surface Casing: 1500**

Depth to base of Treatable Water-Bearing FM: 410

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? 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: 14-26641

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 33 Twp 19N Rge 26W County ELLIS
Spot Location of End Point: NW NE NE NW
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 2040
Depth of Deviation: 8255
Radius of Turn: 780
Direction: 360
Total Length: 4453
Measured Total Depth: 13800
True Vertical Depth: 9035
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, MEMO, PENDING CD - 201400882, SPACING - 100596, SPACING - 484435, and SPACING - 622296.

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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.