

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

API NUMBER: 149 21697

Approval Date: 03/31/2014
Expiration Date: 09/30/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 11N Rge: 17W County: WASHITA
SPOT LOCATION: SE SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 265 2420

Lease Name: SNIDER 24-11-17 Well No: 2H Well will be 265 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

DONALD SNIDER
305 S. 24TH STREET
CLINTON OK 73601

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

	Name	Depth	Name	Depth
1	TONKAWA	9090	6	
2	MISSOURIAN GRANITE WASH	10970	7	
3	DES MOINES GRANITE WASH	12122	8	
4			9	
5			10	

Spacing Orders: 195966 Location Exception Orders: 620440 Increased Density Orders: 620438

Pending CD Numbers:

Special Orders:

Total Depth: 17500 Ground Elevation: 1582 **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: 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: CLOUD CHIEF

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26766
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? 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: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 24 Twp 11N Rge 17W County WASHITA
Spot Location of End Point: NW NW NW NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 2500
Depth of Deviation: 11713
Radius of Turn: 780
Direction: 4
Total Length: 4562
Measured Total Depth: 17500
True Vertical Depth: 12493
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category and Description. Rows include DEEP SURFACE CASING, INCREASED DENSITY - 620438, LOCATION EXCEPTION - 620440, MEMO, and SPACING - 195966.

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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.