

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

API NUMBER: 149 21698

Approval Date: 04/15/2014
Expiration Date: 10/15/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 11N Rge: 17W County: WASHITA
SPOT LOCATION: N2 N2 NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 230 1980

Lease Name: SAWATZKY 29-11-17 Well No: 1H Well will be 230 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 SAWATZKY
22510 E. 1160 RD.
CORDELL OK 73632

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

	Name	Depth	Name	Depth
1	VIRGILIAN	9159	6	
2	MISSOURIAN	10893	7	
3	DES MOINES	12186	8	
4			9	
5			10	

Spacing Orders: 574328 Location Exception Orders: 615581 Increased Density Orders: 615580

Pending CD Numbers:

Special Orders:

Total Depth: 17100 Ground Elevation: 1607 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 450

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:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 14-26877

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 29 Twp 11N Rge 17W County WASHITA
Spot Location of End Point: S2 S2 SW SE
Feet From: SOUTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 1980
Depth of Deviation: 11406
Radius of Turn: 780
Direction: 180
Total Length: 4469
Measured Total Depth: 17100
True Vertical Depth: 12603
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Contains notes on DEEP SURFACE CASING, INCREASED DENSITY, LOCATION EXCEPTION, MEMO, and SPACING.

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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.