

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

API NUMBER: 129 23942

Approval Date: 04/17/2014
Expiration Date: 10/17/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 17N Rge: 25W County: ROGER MILLS
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 200 880

Lease Name: BULLARD RANCH 11-17-25 Well No: 1H Well will be 200 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

SYLVIA B. MOAD
P.O. BOX 356
CHEYENNE OK 73628

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

Name	Depth	Name	Depth
1 DOUGLAS	6131	6 MARMATON	9543
2 TONKAWA	7951	7	
3 COTTAGE GROVE	8946	8	
4 HOGSHOOTER	9229	9	
5 CLEVELAND	9326	10	

Spacing Orders: 51093 Location Exception Orders: 617071 Increased Density Orders: 617070
108182
455426
602220

Pending CD Numbers:

Special Orders:

Total Depth: 14500 Ground Elevation: 2309 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 520

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: 14-26944

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 11 Twp 17N Rge 25W County ROGER MILLS
Spot Location of End Point: NW NE NE NW
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 2000
Depth of Deviation: 8923
Radius of Turn: 780
Direction: 30
Total Length: 4352
Measured Total Depth: 14500
True Vertical Depth: 9703
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, INCREASED DENSITY - 617070, LOCATION EXCEPTION - 617071, MEMO, SPACING - 108182, and SPACING - 455426.

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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.

Category	Description
SPACING - 51093	4/17/2014 - G75 - (640) ALL-17N-25W EST TNKW
SPACING - 602220	4/17/2014 - G75 - (640) 11-17N-25W EST (VER) HGSR, OTHER EST (HOR) MRMN POE TO BHL NCT 660' FB (MRMN SPACING WILL SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)

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