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

API NUMBER:	045 23542

Approval Date:	11/25/2014
Expiration Date:	05/25/2015

Horizontal Hole   Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20   Twp: 19N   Rge: 24W   County: ELLIS

SPOT LOCATION: | NE | NE | NW | NW | FEET FROM QUARTER: FROM **NORTH**   FROM **WEST**

SECTION LINES: **270**   **1000**

Lease Name: EULA MAE 17-19-27   Well No: **1H**   Well will be   **270**   feet from nearest unit or lease boundary.

Operator Name:	**CHESAPEAKE OPERATING LLC**		Telephone: 4059358143; 4059358		OTC/OCC Number: 17441 0

CHESAPEAKE OPERATING LLC	RANDY SHIRRILL
PO BOX 18496	P.O. BOX 293
OKLAHOMA CITY, OK 73154-0496	ARNETT OK 73832

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

	Name	Depth		Name	Depth
1	CLEVELAND	8652	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders:	104550 105512 611804	Location Exception Orders: 625446	Increased Density Orders: 625445

Pending CD Numbers: Special Orders:

Total Depth: 13750   Ground Elevation: 2390   **Surface Casing: 1500**   Depth to base of Treatable Water-Bearing FM: 600

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   Approved Method for disposal of Drilling Fluids:

Type of Mud System: WATER BASED   A. Evaporation/dewater and backfilling of reserve pit.

Chlorides Max: 25000 Average: 8000

Is depth to top of ground water greater than 10ft below base of pit?   Y   D. One time land application -- (REQUIRES PERMIT)   PERMIT NO: 14-28882

Within 1 mile of municipal water well?   N   H. SEE MEMO

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

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: 160000

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   17   Twp   19N   Rge   24W   County   ELLIS

Spot Location of End Point: NE   NE   NW   NW

Feet From: NORTH   1/4 Section Line: 200

Feet From: WEST   1/4 Section Line: 1000

Depth of Deviation: 8170

Radius of Turn: 780

Direction: 360

Total Length: 4355

Measured Total Depth: 13750

True Vertical Depth: 8950

End Point Location from Lease,
     Unit, or Property Line: 200

 Notes:

Category	Description
DEEP SURFACE CASING	11/13/2014 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 625445	11/25/2014 - G75 - 17-19N-24W X104550/105512/611804 CLVD 1 WELL CHESAPEAKE OP., INC. (NOW CHESAPEAKE OP., L.L.C.) 5-14-2014
LOCATION EXCEPTION - 625446	11/25/2014 - G75 - (I.O.) 17-19N-24W X104550/105512/611804 CLVD COMPL. INT. NCT 330 FSL, NCT 330 FNL, NCT 660 FWL CHESAPEAKE OP., INC. (NOW CHESAPEAKE OP., LLC) 5-14-2014
MEMO	11/13/2014 - G71 - PIT 1 & 2 - CONCRETE-LINED PIT PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
SPACING - 104550	11/25/2014 - G75 - (640) 17-19N-24W EXT OTHERS EXT 92369 CLVD, OTHERS
SPACING - 105512	11/25/2014 - G75 - NUNC PRO TUNC 104550 FOR 33-20N-24W
SPACING - 611804	11/25/2014 - G75 - 17-19N-24W CLARIFY OTHER CLARIFY 104550/105512 & 198997 CLVD, OTHERS FOR TOP & BASE OF FORMATION

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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.

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