

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

API NUMBER: 045 23547

Approval Date: 12/16/2014  
Expiration Date: 06/16/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 19N Rge: 25W County: ELLIS  
SPOT LOCATION:  SW  SW  SE  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 200 1400

Lease Name: T-REX 2-18-25 Well No: 1H Well will be 200 feet from nearest unit or lease boundary.

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

CHESAPEAKE OPERATING LLC  
PO BOX 18496  
OKLAHOMA CITY, OK 73154-0496

ED MILLER  
HC 63, BOX 47  
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 DOUGLAS	7595	6 MARMATON	9060
2 COTTAGE GROVE	8150	7	
3 HOGSHOOTER	8413	8	
4 CHECKERBOARD	8580	9	
5 CLEVELAND	8723	10	

Spacing Orders: 100886 Location Exception Orders: 625139 Increased Density Orders: 625138  
165624  
595865

Pending CD Numbers:

Special Orders:

Total Depth: 14450 Ground Elevation: 2301 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 460

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: 14-29121
- 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: 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: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 02 Twp 18N Rge 25W County ELLIS
Spot Location of End Point: SW SW SE SW
Feet From: SOUTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 1550
Depth of Deviation: 8315
Radius of Turn: 780
Direction: 178
Total Length: 4910
Measured Total Depth: 14450
True Vertical Depth: 9095
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, INCREASED DENSITY - 625138, LOCATION EXCEPTION - 625139, MEMO, SPACING - 100886, and SPACING - 165624.

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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.

Category	Description
SPACING - 595865	12/16/2014 - G75 - (640)(HOR) 2-18N-25W EXT 581450 MRMN POE TO BHL NCT 660' FB (SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)

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Office of the Conservation Division as to when Surface Casing will be run.