

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

API NUMBER: 045 23555

Approval Date: 12/30/2014
Expiration Date: 06/30/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 16N Rge: 22W County: ELLIS
SPOT LOCATION: SW SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 63 291

Lease Name: WILLIAMS 5-16-22 Well No: 2H Well will be 63 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

DANNY J. & BRENDA K. WILLIAMS
ROUTE 1, BOX 118
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 TONKAWA	8243	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 66170 Location Exception Orders: 631895 Increased Density Orders: 632536

Pending CD Numbers:

Special Orders:

Total Depth: 13050 Ground Elevation: 2001 **Surface Casing: 720** Depth to base of Treatable Water-Bearing FM: 470

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: 14-29277

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 05 Twp 16N Rge 22W County ELLIS
Spot Location of End Point: N2 N2 NW NW
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 7463
Radius of Turn: 780
Direction: 4
Total Length: 4362
Measured Total Depth: 13050
True Vertical Depth: 8243
End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Table with 2 columns: Category, Description. Contains notes about INCREASED DENSITY, LOCATION EXCEPTION, MEMO, and SPACING.

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