

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

API NUMBER: 011 23602

Approval Date: 05/10/2016

Expiration Date: 11/10/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 16N Rge: 10W

County: BLAINE

SPOT LOCATION: NW NW NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 251 267

Lease Name: CASTONGUAY 14-16-10

Well No: 2H

Well will be 251 feet from nearest unit or lease boundary.

Operator Name: CHESAPEAKE OPERATING LLC

Telephone: 4059353425; 4059358

OTC/OCC Number: 17441 0

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

PERRY & KAREN CASTONGUAY
ROUTE 1, BOX 64
OMEGA OK 73764

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	8738	6	
2	WOODFORD	10120	7	
3			8	
4			9	
5			10	

Spacing Orders: 646685
647101

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201601404
201601405
201601406
201601407
201601408
201601409
201601410

Special Orders:

Total Depth: 20400

Ground Elevation: 1231

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 40

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 16-31193

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 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 not located in a Hydrologically Sensitive Area.

Category of Pit: 2
Liner not required for Category: 2

Pit Location is NON HSA
Pit Location Formation: FLOWERPOT

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 3
Liner required for Category: 3

Pit Location is NON HSA
Pit Location Formation: FLOWERPOT

HORIZONTAL HOLE 1

Sec 02 Twp 16N Rge 10W County BLAINE
Spot Location of End Point: NE NW NW NW
Feet From: NORTH 1/4 Section Line: 50
Feet From: WEST 1/4 Section Line: 630
Depth of Deviation: 9483
Radius of Turn: 750
Direction: 4
Total Length: 9739
Measured Total Depth: 20400
True Vertical Depth: 10120
End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING and HYDRAULIC FRACTURING with detailed descriptions.

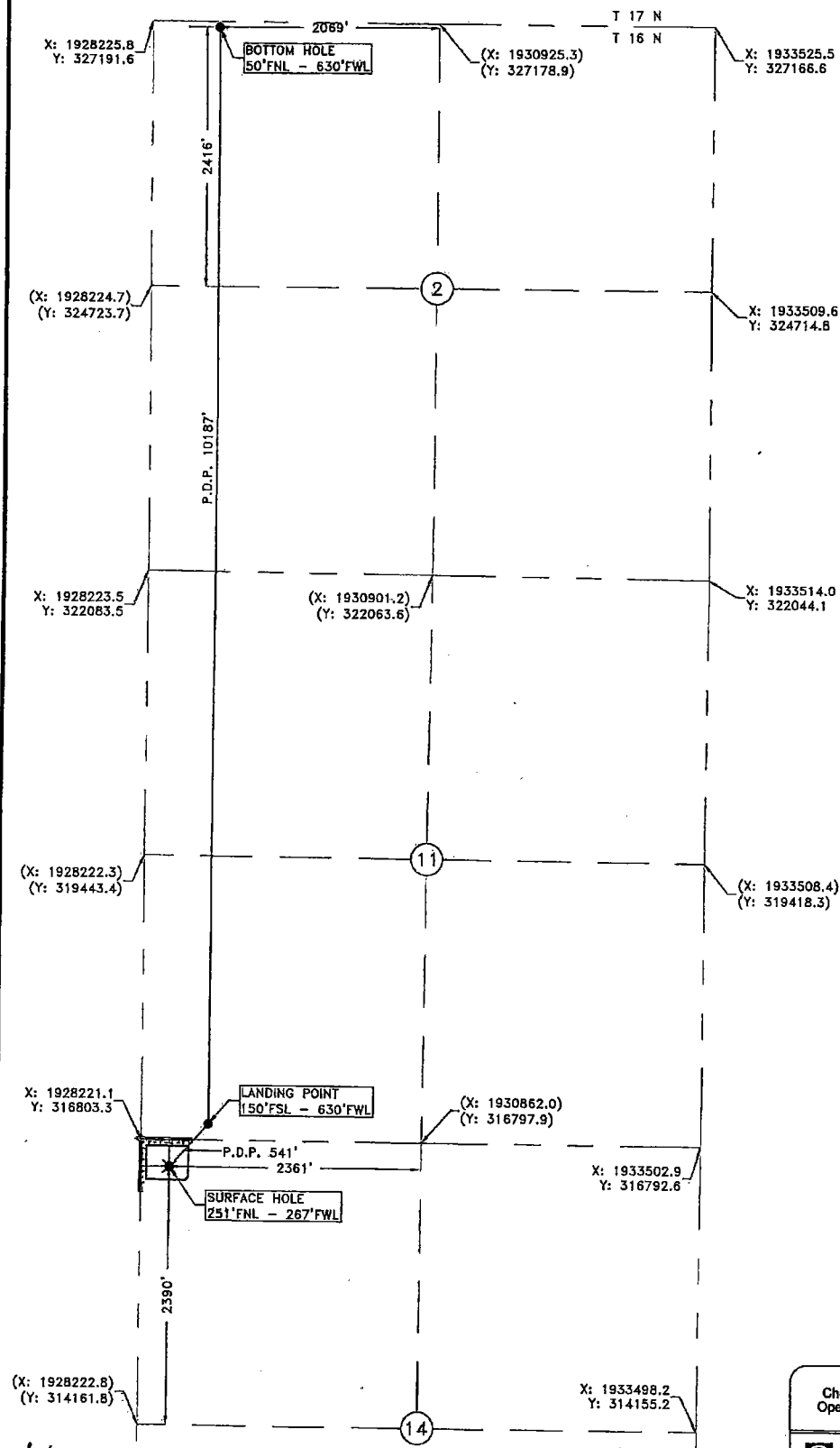
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Category	Description
INTERMEDIATE CASING	5/4/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
MEMO	5/4/2016 - G71 - PIT 1 & 2 - CONCRETE-LINED PIT PER OPERATOR REQUEST; PIT 2 - OBM RETURNED TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201601404	5/4/2016 - G75 - (I.O.) 2 & 11-16N-10W EST MULTIUNIT HORIZONTAL WELL X646685 MSSP, WDFD 2-16N-10W X647101 MSSP, WDFD 11-16N-10W (WDFD ASSOCIATED COMMON SOURCE OF SUPPLY TO MSSP) 50% 2-16N-10W 50% 11-16N-10W NO OP. NAMED REC 5-9-2016 (DUNN)
PENDING CD - 201601405	5/4/2016 - G75 - 2-16N-10W X646569 MSSP ** 1 WELL NO OP. NAMED REC 5-9-2016 (DUNN) ** S/B X646685 MSSP; TO BE CORRECTED AT HEARING PER ATTORNEY FOR OPERATOR
PENDING CD - 201601406	5/4/2016 - G75 - (I.O.) 2-16N-10W X646685 MSSP, WDFD, OTHER COMPL. INT. NCT 0 FSL, NCT 150 FNL, NCT 330 FWL NO OP. NAMED REC 5-9-2016 (DUNN)
PENDING CD - 201601407	5/4/2016 - G75 - (I.O.) 2-16N-10W X165:10-3-28(C)(2)(B) MSSP (CASTONGUAY 14-16-10 2H) MAY BE CLOSER THAN 600' FROM CASTONGUAY 14-16-10 1H NO OP. NAMED REC 5-9-2016 (DUNN)
PENDING CD - 201601408	5/4/2016 - G75 - 11-16N-10W X647101 MSSP 1 WELL NO OP. NAMED REC 5-9-2016 (DUNN)
PENDING CD - 201601409	5/4/2016 - G75 - (I.O.) 11-16N-10W X647101 MSSP, WDFD, OTHER COMPL. INT. NCT 150 FSL, NCT 0 FNL, NCT 330 FWL NO OP. NAMED REC 5-9-2016 (DUNN)
PENDING CD - 201601410	5/4/2016 - G75 - (I.O.) 11-16N-10W X165:10-3-28(C)(2)(B) MSSP (CASTONGUAY 14-16-10 2H) MAY BE CLOSER THAN 600' FROM CASTONGUAY 14-16-10 1H NO OP. NAMED REC 5-9-2016 (DUNN)
SPACING - 646685	5/4/2016 - G75 - (640)(HOR) 2-16N-10W EXT 639444 MSSP, WDFD, OTHER POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST SP. ORDER # 168134/169097 MSSSD & ORDER # 189055 MCSTR)
SPACING - 647101	5/4/2016 - G75 - (640)(HOR) 11-16N-10W EXT 639444 MSSP, WDFD, OTHER POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST SP. ORDER # 168134/169097 MSSSD; ORDER # 189055 MCSTR; ORDER # 527546 MNNG SE4)

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API 011-23602

SECTIONS 2, 11 AND 14, T 16 N - R 10 W, I.M.,
BLAINE COUNTY, OKLAHOMA



BEARINGS ARE GRID
OKLAHOMA SFC, NAD 27, NORTH ZONE

Operator: CHESAPEAKE OPERATING, L.L.C.
 Lease Name: CASTONGUAY 14-16-10
 Topography and Vegetation: WHEAT
 Good Drill Site? YES
 Reference or Alt. Location Stakes Set: NONE
 Best Accessibility to Location: FROM COUNTY ROAD
 Distance and Direction from Hwy, Jct. or Town: FROM US HWY 281 & STATE HWY 3, JCT. HEAD EAST ON STATE HWY 3, 10 MILES, THEN NORTH ON CO. RD. #2670 2 MILES, THEN EAST ON CO. RD. #2670 1 MILE, TURN SOUTH INTO LOCATION

Date Staked: 3/31/16
 Well No.: 2H
 Elevation: 1231'

LEGEND
 EXISTING WELL
 PROPOSED WELL
 DISTANCE MEASUREMENT
 ELECTRIC LINE
 OVERHEAD POWER
 FENCE

St. Drannon 4/6/16
 STAN DRANNON
 OKLAHOMA L.P.L.S. NO.: 1672

NOTE:
 This is a plot of a proposed well location and does not represent a true boundary survey. The information shown hereon shall not be relied upon for the location or establishment of land boundary lines. All of the positions shown hereon have not been verified as being actual Section, Quarter or Property corners. Positions shown in (Parentheses) are based upon local occupation and improvements or calculated per proportional measurement and/or G.L.O. record distances. Review this plot and notify Gateway Services Group, LLC immediately of any possible discrepancy.



Chesapeake Operating, Inc. Chesapeake ENERGY

Gateway Gateway Services Group, LLC
 PO BOX 860
 WEXLER, OK 74855
 OFF. (405) 278-0856
 FAX (405) 278-0860
 C.A. NO. 4091 (LS)
 EXP. DATE 8-30-2016

EXHIBIT "A" PRELIMINARY
 CASTONGUAY 14-16-10 2H
 23" FNL - 267" FWL
 NW/4 SECTION 14, T 16 N - R 10 W, I.M.,
 BLAINE COUNTY, OKLAHOMA

REV. / DWN.	DESCRIPTION	DATE