

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

API NUMBER: 073 25297

Approval Date: 05/12/2016

Expiration Date: 11/12/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 16N Rge: 9W

County: KINGFISHER

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 220 265

Lease Name: STANGL 25-16-9

Well No: 5H

Well will be 220 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

KIRK D. PINKERTON
28943 NORTH 2740 ROAD
OKARCHE OK 73762

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	9000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 160538
187295

Location Exception Orders:

Increased Density Orders: 652300
652301

Pending CD Numbers: 201601694
201601695
201601696
201601697

Special Orders:

Total Depth: 19200

Ground Elevation: 1118

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 210

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: 5000 Average: 3000

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 16-31237

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 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 36 Twp 16N Rge 9W County KINGFISHER

Spot Location of End Point: SW SW SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 1310

Depth of Deviation: 8568

Radius of Turn: 402

Direction: 182

Total Length: 10000

Measured Total Depth: 19200

True Vertical Depth: 9000

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category	Description
DEEP SURFACE CASING	5/9/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	5/9/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
INCREASED DENSITY - 652300	5/10/2016 - G60 - 25-16N-9W X187295 MSSLM 3 WELLS CHESAPEAKE OPERATING, LLC. 5/3/16
INCREASED DENSITY - 652301	5/10/2016 - G60 - 36-16N-9W X160538 MSSLM 3 WELLS CHESAPEAKE OPERATING LLC. 5-3-16
INTERMEDIATE CASING	5/9/2016 - 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	5/9/2016 - G71 - PITS 1 & 2 - CONCRETE LINED PIT PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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073 25297 STANGL 25-16-9 5H

Category	Description
PENDING CD - 201601694	5/10/2016 - G60 - (E.O.) 25 & 36-16N-9W EST MULTIUNIT HORIZONTAL WELL X187295 MSSLM 25-16N-9W X160538 MSSLM 36-16N-9W 50% 25-16N-9W 50% 36-16N-9W CHESAPEAKE OPERATING LLC. REC. 5-10-16 (DECKER)
PENDING CD - 201601695	5/10/2016 - G60 - (E.O.) 25-16N-9W X187295 MSSLM COMPL. INT. 0' FSL, NCT 150' FNL NCT 330' FEL CHESAPEAKE OPERATING LLC. REC. 5-10-16 (DECKER)
PENDING CD - 201601696	5/10/2016 - G60 - (E.O.) 36-16N-9W X160538 MSSLM COMPL. INT. NCT 150' FSL, NCT 0' FNL, NCT 330' FEL CHESAPEAKE OPERATING LLC. REC. 5-10-16 (DECKER)
PENDING CD - 201601697	5/10/2016 - G60 - (E.O.) 36-16N-9W OAC 165:10-3-28 MSSLM (STANGL 25-16-9) MAY BE CLOSER THAN 660' FROM HENNESSEY REALTY 36-A CHESAPEAKE OPERATING LLC. REC. 5-10-16 (DECKER)
SPACING - 160538	5/10/2016 - G60 - (640) 36-16N-9W EXT OTHERS EST MSSLM, OTHERS
SPACING - 187295	5/10/2016 - G60 - (640) 25-16N-9W EST OTHER EXT 100728 MSSLM EXT OTHERS

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A circular seal for a Professional Land Surveyor. The outer ring contains the text "LICENSED PROFESSIONAL LAND SURVEYOR" at the top and "OKLAHOMA" at the bottom. The center of the seal contains the name "STAN DRANNON", the license number "412816", and the year "1972".