API NUMBER: 003 23257

Oil & Gas

Horizontal Hole

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

Approval Date: 06/02/2016
Expiration Date: 12/02/2016

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 25N Rge: 12W County: ALFALFA

SPOT LOCATION: SW SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: **273 1570**

Lease Name: LOIS 16-25-12 Well No: 1H Well will be 273 feet from nearest unit or lease boundary.

Operator CHESAPEAKE OPERATING LLC Telephone: 4059353425; 4059358 OTC/OCC Number: 17441 0

CHESAPEAKE OPERATING LLC

PO BOX 18496

OKLAHOMA CITY, OK 73154-0496

LOIS KASSIK C/O NEAL HOFFMAN

13593 STATE HWY. 8

CARMEN OK 73726

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

Name Depth Name Depth MISSISSIPPIAN 1 5980 6 2 7 3 8 4 9 5 10 590902 Spacing Orders: Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201601997 Special Orders:

201601998

Total Depth: 11200 Ground Elevation: 1394 Surface Casing: 620 Depth to base of Treatable Water-Bearing FM: 370

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 15-30611

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 16 Twp 25N Rge 12W County ALFALFA

Spot Location of End Point: N2 N2 NE NW
Feet From: NORTH 1/4 Section Line: 165
Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 5650 Radius of Turn: 573

Direction: 4

Total Length: 4650

Measured Total Depth: 11200
True Vertical Depth: 6011
End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category Description

HYDRAULIC FRACTURING 5/31/2016 - 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.

COMMON COCKOL OF COLLET WITHIN 1/2 WILL

PENDING CD - 201601997 6/1/2016 - G75 - (E.O.) 16-25N-12W

X590902 MSSP 1 WELL

NO OP. NAMED

REC 6-2-2016 (P. PORTER)

PENDING CD - 201601998 6/1/2016 - G75 - (E.O.) 16-25N-12W

X590902 MSSP

COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 1320 FWL

NO OP. NAMED

REC 6-2-2016 (P. PORTER)

SPACING - 590902 6/1/2016 - G75 - (640) 16-25N-12W

VAC 118849 MISS EXT OTHERS EST MSSP

