

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

API NUMBER: 093 25028

Approval Date: 06/24/2016
Expiration Date: 12/24/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 22N Rge: 15W County: MAJOR
SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 225 755

Lease Name: NICKELSON 17-22-15 Well No: 1H Well will be 225 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

MAC AND PEGGY NICKELSON
234265 EAST CR 42
WAYNOKA OK 73860

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	7600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 93778

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602058
201602059

Special Orders:

Total Depth: 13600

Ground Elevation: 1445

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 490

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: FLOWERPOT

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31348

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 17 Twp 22N Rge 15W County MAJOR

Spot Location of End Point: NW NW NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1157

Depth of Deviation: 8049

Radius of Turn: 605

Direction: 356

Total Length: 4600

Measured Total Depth: 13600

True Vertical Depth: 8410

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
DEEP SURFACE CASING	6/20/2016 - 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	6/20/2016 - 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.
PENDING CD - 201602058	6/20/2016 - G60 - (I.O.) 17-22N-15W X93778 MSSLM 1 WELL NO OP. NAMED REC. 6-21-16 (DUNN)
PENDING CD - 201602059	6/20/2016 - G60 - (I.O.) 17-22N-15W X93778 MSSLM COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 990' FEL NO OP. NAMED REC. 6-21-16 (DUNN)
SPACING - 93778	6/20/2016 - G60 - (640) 17-22N-15W EXT OTHERS VAC OTHERS EXT 67813 MSSLM

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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.

MAJOR

County, Oklahoma

225'FSL - 755'FEL Section 17 Township 22N Range 15W I.M.

NAD-27
X 1759367.3
Y 507220.6
NAD-83
X 1727764.8
Y 507247.6

NAD-27
X 1754067.3
Y 507287.7
NAD-83
X 1722464.8
Y 507314.7

NAD-27
X 1756724.7
Y 507250.0
NAD-83
X 1725122.2
Y 507277.0

NAD-27
X 1754038.3
Y 504667.8
NAD-83
X 1722435.8
Y 504694.8

NAD-27
X 1759348.4
Y 504581.0
NAD-83
X 1727745.9
Y 504608.0

BOTTOM HOLE
165'FNL-1157'FEL
NAD-27 (US Feet)
36°23'24.7" N
98°49'17.3" W
36.390192' N
98.821474' W
X=1758209.2
Y=507068.5
NAD-83
36°23'24.8" N
98°49'18.6" W
36.390227' N
98.821843' W
X=1726606.5
Y=507095.3

LANDING POINT
500'FSL-1157'FEL
NAD-27 (US Feet)
36°22'39.2" N
98°49'17.2" W
36.377544' N
98.821454' W
X=1758176.3
Y=502464.3
NAD-83
36°22'39.3" N
98°49'18.6" W
36.377579' N
98.821823' W
X=1726573.6
Y=502491.1

SURFACE HOLE
NAD-83
36°22'36.5" N
98°49'13.6" W
36.376812' N
98.820456' W
X=1726973.6
Y=502208.4

NAD-27
X 1759329.6
Y 501941.1
NAD-83
X 1727727.1
Y 501968.1

DISTANCE FROM EXISTING WELL TO:
SHL-437'
DRILL PATH-79'
LP-507'
BHL-4481'



GRID
NAD-27
OK NORTH
US Feet

0 1000

BOTTOM HOLE, LANDING POINT AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

NOTE:
The information shown herein is for construction purposes ONLY.

ELEVATION:
1445' Gr. at Stake NGVD29
1445' Gr. at Stake NAVD88

Operator: CHESAPEAKE OPERATING, L.L.C.

Lease Name: NICKELSON 17-22-15

Well No.: 1H

Topography & Vegetation Loc. fell in sloped pasture and wheat field

Good Drill Site? Yes

Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From South off lease road

Distance & Direction from Hwy Jct or Town From Jct. US Hwy. 412 E-W and US Hwy. 281 N-S, go ±5.0 mi. East on US Hwy. 412, then ±1.5 mi. South, then ±0.8 mi. West, then ±0.2 mi. South, then ±0.2 mi. West, then ±0.7 mi. South to the approximate SE Cor. of Sec. 17-T22N-R15W

Date of Drawing: May 27, 2016

Invoice # 261006 Date Staked: May 26, 2016 AC

This information was gathered with a GPS receiver with ±1 foot horiz./vert. accuracy.
DATUM: NAD-27
LAT: 36°22'36.4"N
LONG: 98°49'12.3"W
LAT: 36.376776° N
LONG: 98.820087° W
STATE PLANE
COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1758576.1
Y: 502181.4

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell
Oklahoma Lic. No. 1433

