

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

API NUMBER: 003 23267

Approval Date: 12/19/2016
Expiration Date: 06/19/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 24N Rge: 11W County: ALFALFA
SPOT LOCATION: NW NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 215 215

Lease Name: JEREMY WHITE 35&26-25-11 Well No: 1H Well will be 215 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

JEREMY A. AND BARBARA S. WHITE
P.O. BOX 111
PANHANDLE TX 79068

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	6060	6
2			7
3			8
4			9
5			10

Spacing Orders: 658590

Location Exception Orders: 658968

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16300

Ground Elevation: 1323

Surface Casing: 1200

Depth to base of Treatable Water-Bearing FM: 300

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: CEDAR HILL

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31916

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 26 Twp 25N Rge 11W County ALFALFA

Spot Location of End Point: NE NE NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1115

Depth of Deviation: 5749

Radius of Turn: 500

Direction: 352

Total Length: 9765

Measured Total Depth: 16300

True Vertical Depth: 6110

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

Notes:

Category	Description
DEEP SURFACE CASING	12/14/2016 - 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	12/14/2016 - 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.
LOCATION EXCEPTION - 658968	12/19/2016 - G60 - (I.O.) W2 26 & W2 35-25N-11W X658950 MSSP COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 330' FWL CHESAPEAKE OPERATING OR CHESAPEAKE EXPLORATION LLC. 12/15/16
SPACING - 658590	12/19/2016 - G60 - (640)(IRR UNIT)(HOR) W2 26 & W2 35-25N-11W EXT 644228 MSSP COMPL. INT. NCT 660' FB (COEXIST WITH SP. ORDER 625709 MSSP SECTION 26 AND SP. ORDER 606512 MSSP SECTION 35)

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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.