

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

API NUMBER: 073 26387

Approval Date: 12/13/2018
Expiration Date: 06/13/2020

Horizontal Hole Oil & Gas
Multi Unit

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 17N Rge: 7W County: KINGFISHER
SPOT LOCATION: SW SW SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 220 1363

Lease Name: SMITH 24-17-7 Well No: 1HC Well will be 220 feet from nearest unit or lease boundary.

Operator CHESAPEAKE OPERATING LLC Telephone: 4059357539; 4059358 OTC/OCC Number: 17441 0
Name:

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

NORMAN R. SMITH, TRUSTEE
4804 NW 65TH STREET
OKLAHOMA CITY OK 73132

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

Name	Depth	Name	Depth
1 OSWEGO	6780	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 671353

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201808646
201809681
201809682
201809684
201809685
201809680

Special Orders:

Total Depth: 17350

Ground Elevation: 1084

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 210

Under Federal Jurisdiction: Yes

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 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: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: SALT PLAINS

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35843
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 13 Twp 17N Rge 7W County KINGFISHER

Spot Location of End Point: C N2 N2 NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 6414

Radius of Turn: 750

Direction: 359

Total Length: 9758

Measured Total Depth: 17350

True Vertical Depth: 6798

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category	Description
DEEP SURFACE CASING	11/20/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	11/20/2018 - G71 - OCC 165:10-3-10 REQUIRES: 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE; 2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML ; AND, 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG
PENDING CD - 201808646	12/13/2018 - G75 - (320)(HOR) W2 24-17N-7W VAC 118427 OSWG POE TO BHL NLT 660' FB (COEXIST SP. ORDER # 40411/42259 OSWG) REC 12-3-2018 (THOMAS)
PENDING CD - 201809680	12/13/2018 - G75 - (I.O.) W2 24 & 13-17N-7W EST MULTIUNIT HORIZONTAL WELL X201808646 OSWG W2 24-17N-7W X671353 OSWG 13-17N-7W 50% W2 24-17N-7W 50% 13-17N-7W NO OP. NAMED REC 12-3-2018 (THOMAS)
PENDING CD - 201809681	12/13/2018 - G75 - (I.O.) W2 24-17N-7W X201808646 OSWG COMPL. INT. NCT 330' FSL, NCT 0' FNL, NCT 660' FWL NO OP. NAMED REC 12-3-2018 (THOMAS)
PENDING CD - 201809682	12/13/2018 - G75 - (I.O.) W2 24-17N-7W X165:10-3-28(C)(2)(B) OSWG (SMITH 24-17-7 1HC) MAY BE CLOSER THAN 600' TO HIGGINS 2 (API 073-36203) NO OP. NAMED REC 12-3-2018 (THOMAS)
PENDING CD - 201809684	12/13/2018 - G75 - 13-17N-7W X671353 OSWG 2 WELLS NO OP. NAMED REC 12-11-2018 (JACKSON)

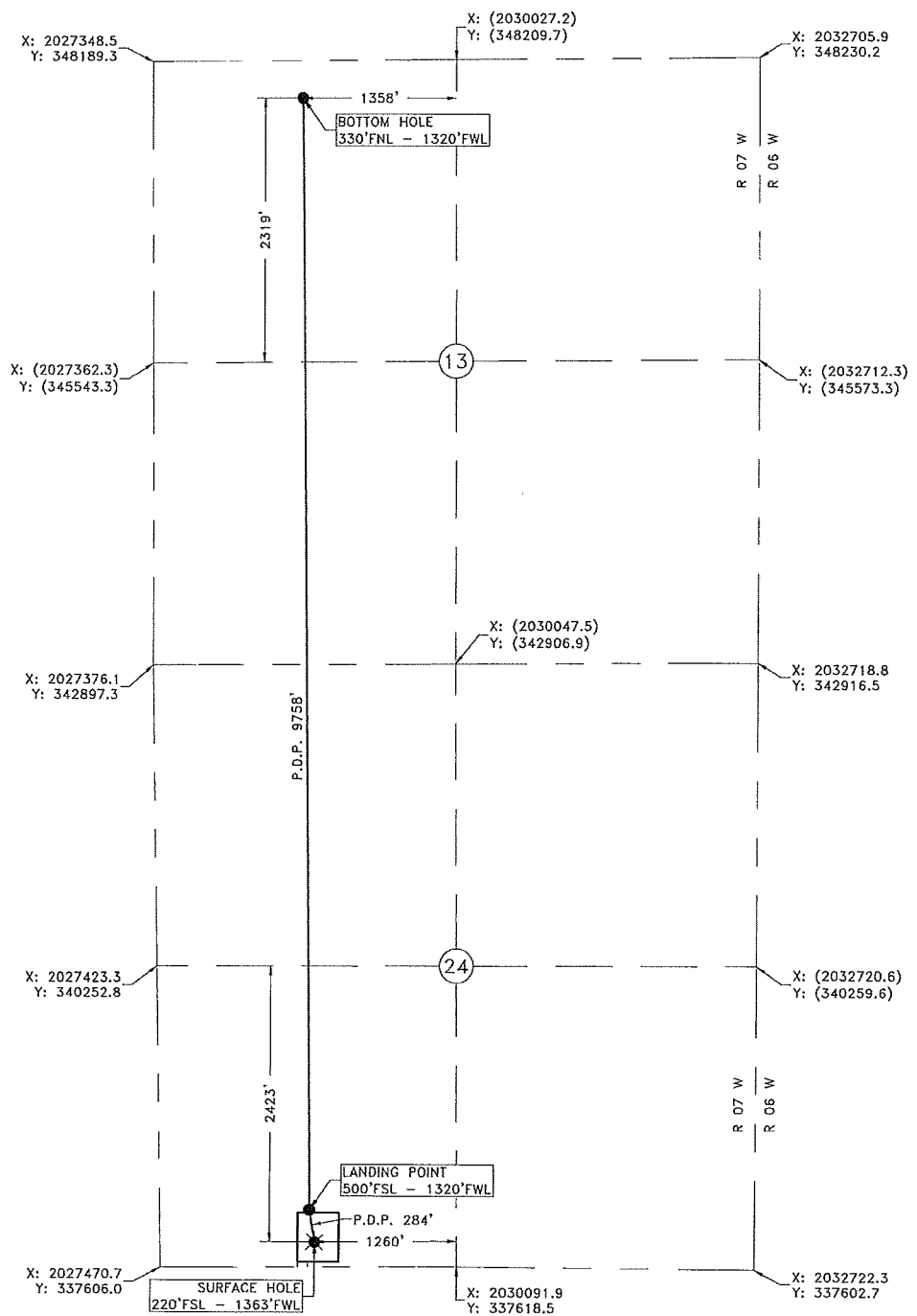
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
PENDING CD - 201809685	12/13/2018 - G75 - (I.O.) 13-17N-7W X671353 OSWG COMPL. INT. NCT 0' FSL, NCT 330' FNL, NCT 660' FWL NO OP. NAMED REC 12-3-2018 (THOMAS)
SPACING - 671353	12/13/2018 - G75 - (640)(HOR) 13-17N-7W EXT 652371 OSWG, OTHER POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 40411/42259 OSWG)

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.

SECTIONS 13 AND 24, T 17 N - R 07 W, I.M.,
KINGFISHER COUNTY, OKLAHOMA

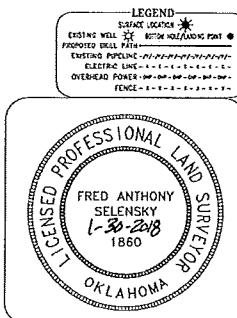
BEARINGS ARE GRID
OKLAHOMA SFC. NAD 87, NORTH ZONE



Operator: CHESAPEAKE OPERATING, L.L.C. Date Staked: 1/16/2018
 Lease Name: SMITH 24-17-7 Well No.: 1HC Elevation: 1084'
 Topography and Vegetation: CULTIVATED FIELD
 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 DOVER, OK, HEAD SOUTH 2.7 MILES ON US HWY. 81 THEN EAST 0.4 MILE ON CO. RD. E0740, THEN SOUTH 1.0 MILE ON CO. RD. N2860, THEN EAST 0.3 MILE ON CO. RD. E0750, TURN NORTH INTO LOCATION.

Fred A. Selesky
 FRED ANTHONY SELENSKY
 OKLAHOMA L.P.L.S., NO. 1850
 1-30-2018

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, L.L.C. Chesapeake Energy

Gateway Services Group, LLC

PO. BOX 960
 WEEKER, OK 74555
 OFF. (405) 293-0924
 FAX (405) 293-0550
 O.A. NO. 4931 (LS)
 EXP. DATE 6-30-2018

EXHIBIT "A" PRELIMINARY
 SMITH 24-17-7 3HC
 220' FSL - 1363' FWL
 SECTIONS 13 AND 24, T 17 N - R 07 W, I.M.,
 KINGFISHER COUNTY, OKLAHOMA

REV. DWN.	DESCRIPTION	DATE

DRAWN BY: JE DATE: 1/19/18 CHK'D: CWP
 GATEWAY NO.: 18-0041-104 SCALE: 1"=1000'
 PAD P.N.: 928883 WELL P.N.: 650510