

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

API NUMBER: 093 25182

Approval Date: 12/06/2018

Expiration Date: 06/06/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 22N Rge: 16W

County: MAJOR

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 398 262

Lease Name: KILAUEA 17-22-16

Well No: 1H

Well will be 262 feet from nearest unit or lease boundary.

Operator Name: CHESAPEAKE OPERATING LLC

Telephone: 4059357539; 4059358

OTC/OCC Number: 17441 0

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

TERRY LEE PEACH II
228586 EAST CR 48
CHESTER OK 73838

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

	Name	Depth	Name	Depth
1	CHESTER LIME	7030	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 465428

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201808718
201808717
201808716

Special Orders:

Total Depth: 12250

Ground Elevation: 1658

Surface Casing: 720

Depth to base of Treatable Water-Bearing FM: 470

Under Federal Jurisdiction: No

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: 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: BLAINE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35805
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 16W County MAJOR

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 380

Depth of Deviation: 6677

Radius of Turn: 382

Direction: 359

Total Length: 4973

Measured Total Depth: 12250

True Vertical Depth: 7102

End Point Location from Lease,
Unit, or Property Line: 150

Notes:

Category

Description

HYDRAULIC FRACTURING

12/5/2018 - G71 - 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: OCCWEB.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 - 201808716

12/6/2018 - G75 - 17-22N-16W
X465428 CRLM
1 WELL
NO OP. NAMED
REC 12-3-2018 (THOMAS)

PENDING CD - 201808717

12/6/2018 - G75 - (I.O.) 17-22N-16W
X465428 CRLM
COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 330' FEL
NO OP. NAMED
REC 11-19-2018 (MINMIER)

PENDING CD - 201808718

12/6/2018 - G75 - (I.O.) 17-22N-16W
X165:10-3-28(C)(2)(B) CRLM (KILAUEA 17-22-16 1H)
MAY BE CLOSER THAN 600' TO GIVENS 1-17 & SHARON KAY 1-17
NO OP. NAMED
REC 11-19-2018 (MINMIER)

SPACING - 465428

12/6/2018 - G75 - (640) 17-22N-16W
EXT OTHERS
EXT 35186/VAR CRLM

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.

093 25182 KILAUEA 17-22-16 1H

CHESAPEAKE ENERGY

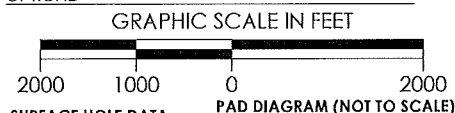
OPERATOR: CHESAPEAKE OPERATING, LLC
LEASE NAME: KILAUEA 17-22-16
WELL NO. 1H
STAKED DATE: 10/11/18

GROUND ELEVATION: 1657.65 GR. AT STAKE
SURFACE HOLE FOOTAGE: 398' FNL - 262' FEL
SECTION: 20 TOWNSHIP: 22N RANGE: 16W
MAJOR COUNTY, STATE: OK

BOTTOM HOLE: 17-22N-16W-1J.M.
BOTTOM HOLE FOOTAGE: 150' FNL - 380' FEL
LANDING POINT FOOTAGE: 150' FSL - 380' FEL
SECTION: 17 TOWNSHIP: 22N RANGE: 16W
MAJOR COUNTY, STATE: OK

ACCESSIBILITY TO LOCATION: FROM NORTH LINE
TOPOGRAPHY & VEGETATION: LOCATION FELL ON THE NORTH EDGE OF A FIELD.

DISTANCE & DIRECTION FROM HWY JCT OR TOWN:
FROM INT OF HWY 281 & HWY 412, S 2 MI. TO E0430 RD, W 1.5 MI. TO N2295 RD, SOUTH ON N2295 RD 1 MILE TO E0440 RD, WEST ON E0440 RD 0.5 MILE TO N2290, 550 FT SOUTH ON N2290. PAD IS ON EAST SIDE OF ROAD



SURFACE HOLE DATA

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD27

X: 1727594.0

Y: 502049.8

GPS DATUM: NAD27

LAT: 36.37564943

LONG: -98.92531964

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD83

X: 1695991.2

Y: 502077.0

GPS DATUM: NAD83

LAT: 36.37568580

LONG: -98.92569156

BOTTOM HOLE DATA

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD27

X: 1727529.6

Y: 507572.7

GPS DATUM: NAD27

LAT: 36.39081833

LONG: -98.92571727

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD83

X: 1695926.8

Y: 507600.0

GPS DATUM: NAD83

LAT: 36.39085456

LONG: -98.92608922

LANDING POINT DATA

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD27

X: 1727477.0

Y: 502299.6

GPS DATUM: NAD27

LAT: 36.37633247

LONG: -98.92572515

STATE PLANE COORDINATES:

ZONE: OK-NORTH NAD83

X: 1695874.2

Y: 502326.8

GPS DATUM: NAD83

LAT: 36.37636878

LONG: -98.92609700

PLEASE NOTE THAT THIS LOCATION WAS STAKED ON THE GROUND UNDER THE SUPERVISION OF A LICENSED PROFESSIONAL LAND SURVEYOR, BUT ACCURACY OF THIS EXHIBIT IS NOT GUARANTEED. PLEASE CONTACT CRAFTON TULL PROMPTLY IF ANY INCONSISTENCY IS DETERMINED. GPS DATA IS OBSERVED FROM RTK-GPS. NOTE: X AND Y DATA SHOWN HEREON FOR SECTION CORNERS MAY NOT HAVE BEEN SURVEYED ON THE GROUND, AND FURTHER, DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. LANDING POINT, BOTTOM HOLE, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED.

CERTIFICATION:

THIS IS TO CERTIFY THAT THIS WELL LOCATION EXHIBIT WAS COMPILED AND PREPARED UNDER MY SUPERVISION.

Date: 2018.10.31 08:51:45-05'00'

Denver Winchester
DENVER WINCHESTER PLS 1952

KILAUEA 17-22-16 1H

REVISION DATE:

PART OF THE NE/4 OF
SECTION 20, 22N, 16W
WELL LOCATION EXHIBIT
MAJOR COUNTY, OKLAHOMA

SCALE: 1" = 2000'

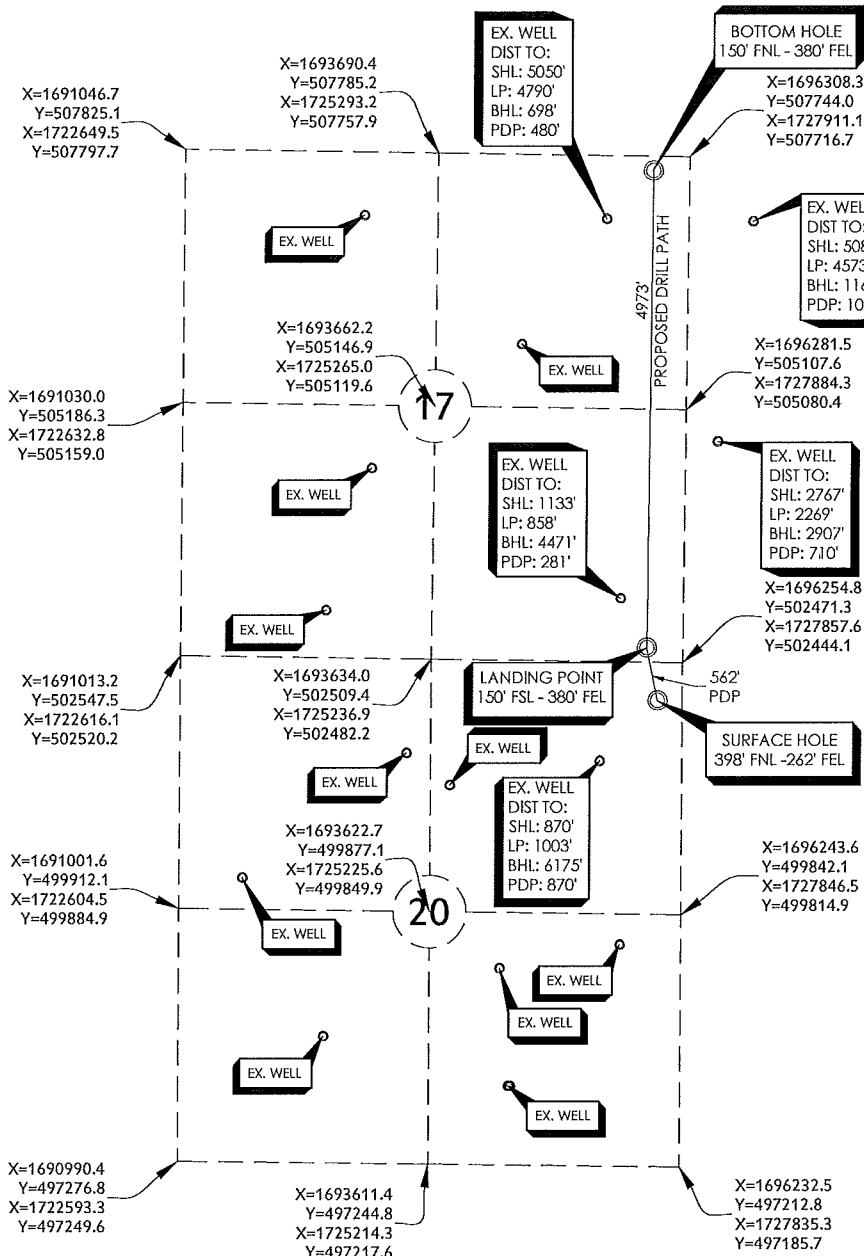
PLOT DATE: 10-30-2018

DRAWING: 17601128-WELL-P

DRAWN BY: JJ

SHEET NO.: 2 OF 3

API 093-25182



300 Pointe Parkway Blvd
Yukon, OK 73099
405.787.6270 t 405.787.6276 f
www.craftontull.com
Crafton Tull
SURVEYING
CERTIFICATE OF AUTHORIZATION:
CA 973 (PE/LS) EXPIRES 6/30/2020

CHESAPEAKE

ENERGY

API 093-25182

November 6, 2018

Mr. Dan Walkup
Oklahoma Corporation Commission
Oil & Gas Conservation Division
P.O. Box 52000
Oklahoma City, OK 73152-2000

Re: **Application for Intent to Drill**
Well Name: Kilauea 17-22-16 1H
Surface Location: Sec 17, T22N, R16W
Major Co., OK

Dear Mr. Walkup:

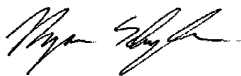
Pursuant to OAC 165:10-3-4(c), Chesapeake intends to set a surface casing string to the greater of 90' below the surface or at least 50' below but no more than 250' past all domestic fresh water estimated at 470', and cement will be circulated to surface. A rotating head will be installed prior to drilling out of the shoe of the surface casings in order to maintain control of the well in accordance with OAC 165:10-3-4(h).

In addition to the surface casing strings, an intermediate casing string will be set at least 1,500' MD to provide a more competent casing seat to reach our next casing setting depth. Cement will be circulated to surface on the intermediate casing strings. BOP equipment will be installed prior to drilling out of the shoe of the intermediate casings in order to maintain control of the well in accordance with OAC 165:10-3-4(h).

A search has been made of wells in the adjacent sections and evidence of lost circulation has been found to have occurred on at least one well during the drilling of the surface hole interval. A second search has been made of wells in the adjacent sections and none have been found to have significant annular pressure.

If you have any questions or comments please contact me at 405-935-6194.

Best Regards,



Ryan Schuyler
Drilling Engineer