STATE OF OHIO DEPARTMENT OF NATURAL RESOURCES	Division of Oil an Resources Manag WELL PERMI	jement		L NUMBER
OWNER NAME, ADDRESS CHESAPEAKE EXPLORATION LLC		DATE ISSUE 5/25/20		PERMIT EXPIRES 5/25/2014
P O BOX 18496 OKLAHOMA CITY	OK 73154 0496	TELEPHONE	NUMBER (4	05) 935-4073
IS HEREBY GRANTED PERMISSION TO: PURPOSE OF WELL: Oil & Gas COMPLETION DATE IF PERMIT TO PLUG	Drill New Well, horizontally	AND ABAND	ON WELL IF UN	PRODUCTIVE
DESIGNATION AND LOCATION:		SURFAC	E NAD27	TARGET NAD27
LEASE NAME ADDY 9- WELL NUMBER 5H			378272 48937	2376178 254678
	DN IL & 35'WL OF SEC. 9 IL & 2158'EL OF SEC. 16		0.3418775050755 11.1430297169126	40.3577234333773 -81.1502215868719
TYPE OF TOOLS: Air Rotary/Flu	id Rotary	GEOLOGIC	CAL FORMATION	N(S):
PROPOSED TOTAL DEPTH GROUND LEVEL ELEVATION	14000 FEET 1050 FEET	POINT PLE	EASANT	
	Permit is subject to the attached terms and/or co Horizontal Drilling Well Permit Conditions Hydrogen Sulfide Conditions Horizontal Well/Pre-Permitting Site Conditions			

#### CONDITIONALLY APPROVED CASING PROGRAM (SUBJECT TO APPROVAL OF THE OIL AND GAS WELL INSPECTOR):

CONDUCTOR MINIMUM OF 60' (IF AIR) 13 3/8" MINIMUM OF 500' CEMENT CIRCULATED TO SURFACE 9 5/8 " APPROX. 2400 ' WITH CEMENT CIRCULATED TO SURFACE 5 1/2" PRODUCTION CASING CEMENTED IF PRODUCTIVE "BLOW OUT PREVENTOR REQUIRED" HAZARDOUS CONDITIONS MAY BE ENCOUNTERED ALL DUE PRECAUTIONS SHOULD BE TAKEN

This permit is NOT TRANSFERABLE. This permit, or an exact copy thereof, must be displayed in a conspicuous and easily accessible place at the well site before permitted activity commences and remain until the well is completed. Ample notification to inspector is necessary.

OIL AND GAS WELL INSP	ECTOR:	FIRE AND EMERGEN	CY NUMBERS	
BRETT FARNSWORTH EUGENE CHINI - Supervisor DISTRICT #: INSPECTOR NOTIFICATION The oil and gas inspector mus	(330) 284-1409 (330) 284-2942 (330) 896-0616 <b>DN</b> t be notified at least 24 hours prior to:	FIRE: MEDICAL SERVICE	( ) -911 ( ) -911	
<ol> <li>Commencement of site of 2. Pit excavation and closure</li> <li>Commencement of drilling</li> <li>Installation and cementing</li> <li>BOP testing</li> <li>Well stimulation</li> <li>Plugging operations</li> </ol>	e g, reopening, converting or plugback operations			
The oil and gas inspector mus	t be notified immediately upon:			
<ol> <li>Discovery of defective well construction</li> <li>Detection of any natural gas or H2S gas during drilling in urban areas</li> <li>Discovery of defective well construction during well stimulation</li> </ol>		R	Richard J. Simmers	
4. Determination that a well 5. Determination that a well	is a lost hole		HIEF, Division of Oil and Gas Resources anagement	

STATE OF OHIO

DEPARTMENT OF NATURAL RESOURCES Division of Oil and Gas Resources Management

WELL PERMIT

API WELL NUMBER

34-067-2-1073-00-00

CHESAPEAKE EXPLORATION LLC P O BOX 18496 OKLAHOMA CITY, OK 73154-0496 The Ohio Department of Natural Resources The Division of Oil and Gas Resources Management 2045 Morse Road, Building F-2 Columbus, Ohio 43229-6693

### HORIZONTAL DRILLING PERMIT CONDITIONS

Within thirty (30) days of completion of drilling operations, the following items <u>must</u> be submitted to the Division of Oil and Gas Resources Management:

- A copy of the bore hole deviation survey
- A revised surveyor's plat showing:
  - 1. Surface Location;
  - 2. Actual entry into the target formation;
  - 3. Actual ending point of the bore hole in the target formation;
  - 4. X, Y coordinates of the above three points.
- A fifty-dollar (\$ 50.00) fee for the revised surveyor's plat.

November 14, 1988 Revised: November 19, 2007 Revised: August 4, 2011

#### THESE STIPULATIONS MUST BE DISPLAYED WITH THE PERMIT IN A CONSPICUOUS PLACE AT THE WELL SITE IN ACCORDANCE WITH SECTION 1509.05 OF THE OHIO REVISED CODE.

#### HYDROGEN SULFIDE GAS PERMIT CONDITIONS

#### ALERT:

Hydrogen sulfide gas has been encountered in the "Big Lime" section in this township. Hydrogen sulfide can cause corrosion of the casing and tubing strings, deterioration of the surface equipment, contamination of fresh water resources and is a potential hazard to the health and safety of drilling crew workers, service company personnel, Division staff, and the local public. **Pursuant to 1509.17 of the Revised Code, the following permit conditions** <u>must be</u> followed while drilling this well.

- 1. If hydrogen sulfide gas is encountered in the "Big Lime" section and the well is being drilled on air, the rig shall convert to fluid drilling and shall remain on fluid until total depth or until the hydrogen sulfide zone is cemented.
- Once set, the casing shall be cemented with a sufficient volume of SULFATE RESISTANT cement so as to provide a continuous sheath of cement to the top of the "Big Lime" section.
- 3. If the specific gas bearing zone can be identified it is only necessary to cement across the identified zone. A minimum of one hundred (100) feet of SULFATE RESISTANT cement shall be placed across the hydrogen sulfide bearing zone.
- 4. The Division's field inspector must be notified at least 12 hours prior to cementing this string of casing.

# DAILY ROUTE SLIP

APPLICATION NO. <u>aAMY0001102</u>	TYPE: Drill New	Well, horizontal		
CONAME CHESAPEAKE EXPLORA	TION API			
WELL NAME /NO. ADDY 9-12-6	5H			
COUNTY 67 HARRISON	INITIALS	DATE		
DATE APPLICATION REC'D	AM	5/14/2012		
PERMIT FEE AND CHECK NO.	\$500.00	1787736		
RUSH AMOUNT RUSH CHECK NO.	\$0.00	<u> </u>		
APPLICATION ENTERED	Am	5/14/2012		
APPLICATIONS AND PLATS SENT FOR MINE APPROVAL				
COAL APPROVAL RECEIVED				
OIL/GAS AFFIDAVIT REC'D	Am	5/14/2012		
Shale UBBANIZED AREA NOTIFICATION SENT	AM	5/14/2012		
URBANIZED AREA NOTIFICATION SENT TO INSPECTOR/REC'D BACK				
URBAN MAP REVIEW	- Balance			
SAMPLES: YES/SPECIAL AREAS				
GEOLOGIST APPROVAL	MOWSO	5/24/2012		
DATA ENTRY /ISSUED	pn	5/25/12		
PERMIT: TAKENMAILED	pn	5/29/12		
FAX TO:		S. Marine		
FINAL MAP CHECK	SR	6/7/12		
COMMENTS: Send Horizontal Drilling Surface Conditions				
Seud Horizontal Drilling Conditions				
Send Hydrogen Sulfide Conditions				

## **Proof Sheet**

67

APPL NUMBER **OWNER NUMBER OWNER NAME** EXISTING WELL API PERMIT NO APPL TYPE **TYPE OF WELL** VARIANCE REQUEST WELL NAME WELL NUMBER PREV/PROPOSED TD DRILL UNIT ACRES **TYPE OF TOOL** RTAF EDPW WELL CLASS FIRE PHONE () - 911 MEDICAL PHONE () - 911 **COUNTY CODE** COUNTY NAME HARRISON COAL (Y=-1/N=0) **CIVIL TOWNSHIP** STOCK SURF QUAD DEERSVILLE Nad 27 SURF ORIG X Nad 27 SURF ORIG Y **GROUND ELEVATION** SURF SEC SURF LOT SURF QTR TWP SURF ALLOT SURF TRACT SURF FRACTION

aAMY0001102	URBANIZED AREA ?
8756	NAME
CHESAPEAKE EXPLORATION	LLC
0	
	DISPOSAL PLAN 1 ND
HX	DISPOSAL PLAN 2
OG	DISPOSAL PLAN 3
	DISPOSAL PLAN 4
ADDY 9-12-6	DISPOSAL PLAN 5
5H	MP Check # 0
14000	
152.71	
RTAF	PROPOSED FORMATIONS

POINT PLE	EASANT		
	1000		
		1 Chines	19.15

-1		
	TARG CIVIL TWP	STOCK
	TARG QUAD	DEERSVILLE
2,378,272	Nad 27 TARG ORIG X	2,376,178
248,937	Nad 27 TARG ORIG Y	254,678
1050	TARG ELEV	1220 0
9	TARG SECTION	16 -9
	TARG LOT	
	TARG QTR TWP	
	TARG ALLOT	
	TARG TRACT	
	TARG FRACTION	

Monday, May 14, 2012

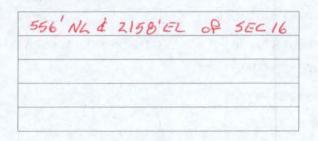
Page 9 of 10

# **Proof Sheet**

TARGET FOOTAGE

#### SURFACE FOOTAGE

914'NL& 35'WL OF SEC 9



# 

## SPECIAL CONDITIONS/COMMENTS

- PER	
HWSC	
HD	in manyati ini
HS	

COMPLETION DT	
MINES APPROVAL	
AFFIDAVIT APPROV	5/24/2012
FINAL ENTRY DATE	

Geo Survey GIS No Drift No Mines No Water Wells

Monday, May 14, 2012

Page 10 of 10

· · · ·	OHIO DEPAF DIVISION OF OIL 204 COL	RTMENT OF I AND GAS R 5 Morse Roa	d, Building F-2	SOURCE	S	102	#178772
SEE INSTRUCTIONS ON PAGE	E 2 (BACK)	and the second	a	11.1	0001	00	Contraction of the second
. I, We (applicant)		e Exploration		1. 1.	2. Own	ner #:	8756
(address)	P.O. Box 18496, Ok	lahoma City,	OK 73154-049	6	Pho	one #:	(405) 935-2750
hereby apply this date	11-May	, 20	12	for a pe	ermit to:		
Reissue (check appro Drill New Well Drill Directionally Drill Horizontally 3. TYPE OF WELL:	opriate blank) ✓ Oil & Gas ☐ Stratigraphic Test	Plug Bao	d Abandon Well Program Disposal		er Injection explain):		en
	Solution Mining*	-	ed Recovery*		ecked, sele	and the second se	<i>iate box below)</i> uction/Extraction
4. MAIL PERMIT TO:	Salder Carl		20. TYPE OF	TOOLS	:	11. A.	State State State
	Exploration, L.L.C. e as above)		Cable /	Air Rota Fluid Ro Air / Flui		Fluid	otary Fluid Rotary Rotary ce Rig
5. COUNTY:	Harrison		21. PROPOS	SED CAS	ING PRO	GRAM:	A STATE OF A
6. CIVIL TOWNSHIP:	Stock; T12N, R6	W					
7. SECTION: 9	8. LOT:	N/A	20"	@	60'		
9. FRACTION: N/A	10. QTR TWP:	N/A	13.375"	@	430'		
11. TRACT / ALLOT:	N/A	12. 1. 1. 1.	9.625"		2400'		
12. WELL #:	5H	A. S. 1998	5.5"		14000'	MD / 7816	' TVD
13. LEASE NAME:	Addy 9-12-6	11121					
14. PROPOSED TOTAL DEPTH 15. PROPOSED GEOLOGICAL		4000' (MD)	22. FIRE AN				ELEPHONE
16. DRILLING UNIT IN ACRES		and the first	1	(S. (CIUS	est to well 9'	a a 8	
indicated on plat):	152.71 acres	/	Fire: Medical:		9		
	and a second sec	V		-			
17. IF PERMITTED PREVIOUSI	_Y:		23. MEANS	OF INGR	ESS & EG		
API#:			Townshi			Tw	p Hwy 224
OWNER:	N/A	1.41.22	County F			1.4.6	
WELL #:	N/A	1. 1. N. N. N.	Municipa		1-1-10		
LEASE NAME:	N/A	A Contraction	State Hig	ghway:	ST	Route 64	6 (Tappan-Scio Rd)
TOTAL DEPTH:	N/A		N. Decker	1.8.1.1		1	
GEOLOGICAL FORMATION 18. IF SURFACE RIGHTS ARE DEPARTMENT OF NATURA Division Name: Division Phone:	OWNED BY THE OHIO		WITHIN				CTION FACILITIES FINED BY 1509.01(Y)?
19. LANDOWNER ROYALTY IN Is There An Attached List? Name: Address:	TEREST: Yes		No		REC	CEIV	ED
Name: Address:					MA	Y 14201	2
Name: Address:						11.80	

I, the undersigned, being first duly sworn, depose and state under penalties of law, that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the facts stated herein are true, correct, and complete, to the best of my knowledge.

I, the undersigned, further depose and state that I am the person who has the right to drill on the tract or drilling unit and to drill into and produce from a pool and to appropriate the oil or gas that I produce therefrom either for myself or others as described in this application. And furthermore, I the undersigned, being duly sworn, depose and state at this time that I am not liable for any final nonappealable order of a court for damage to streets, roads, highways, bridges, culverts, or drainage ways pursuant to Section 5577.12 of the Ohio Revised Code (ORC). I, the undersigned, further depose and state that III Hotiops, required by 1509.06 (A) (9) ORC for this application have been duly provided by me. If applying for a permit to plug and abandon a well, I hereby certify that the written porter As required in Section 1509.13, ORC, have been given.

That I hereby agree to conform with all provisions of Chapter 1009 Terrs and Chapter 150 Resources Management.	1., OAC, and all orders	and conditions issued by the Chief, Division of Oil and Gas
Signature of Owner/Authorized Agent		
Name (Type or Print)	Title	Supervisor - Regulatory Compliance
If signed by Authorized Agent, a certificate of appointment agent must be on the	-	D
Sworn to and subscibed before me this the dev pt	20 10 0	Rid Mainan
ιv		Doute Dugp
		(Notary Public)
		82012013

(Date Oommission Expires)

LANDO	OWNER ROYALTY INTEREST H ADDY 9-12-6 5H WELL PERMIT APPLICATION APRIL 27, 2012			RECEIVED MAY 14 2012
NAME/COMPANY	MAILING ADDRESS	CITY	STATE	ZIP CODE
SCOTT LESTER TRUSTEE	86600 BUXTON RD	SCIO	ОН	43988
ALBERT & VIRGINIA CRALL	86600 CRALL RD.	SCIO	ОН	43988
JERRY & CAROLYN E KOEHLER SMALLEY	87070 CRALL RD.	SCIO	ОН	43988
BARBARA & JERRY BESOZZI J&S	36600 SCIO-TAPPAN RD	SCIO	ОН	43988
ROBERT T & E MIRIAM ADDY J&S	36500 TAPPAN-SCIO RD	SCIO	ОН	43988
WILLIAM & DOUGLAS W HENDERSON	36195 TAPPEN-SCIO RD	SCIO	ОН	43988
DENNIS C. & JEANNE WEST KRANKOWSKI	4097 BUELL DRIVE	RICHFIELD	ОН	44286
MICHAEL & SHIRLEY SCIARRA	86800 CRALL RD	SCIO	ОН	43988
JODIE L. PILEGGI	87060 CRALL RD	SCIO	ОН	43988
KIRK D. & KAREN J. SHEPHERD	12598 BURBANK ROAD	BURBANK	ОН	44214



**Regulatory Department** 

May 11, 2012

#### VIA UPS NEXT DAY AIR

Ohio Department of Natural Resources Div. Of Mineral Resources Management Mr. Steve Opritza, Geologist 2045 Morse Road, F-2 Columbus, OH 43229-6693

#### Re: Addy 9-12-6 5H – Application for a Permit

Dear Mr. Opritza:

Chesapeake Exploration, L.L.C. submits the enclosed *Application for a Permit* for its proposed Addy 9-12-6 5H well located in Harrison County, Ohio.

This permit application packet includes the original signed Oil & Gas affidavits by Robert T. Addy and Ella M. Addy, and William B. Henderson and Douglas W. Henderson.

If you should have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Chesapeake Exploration, L L.C.

Ryan DèLong Supervisor – Regulatory Compliance

Enclosure(s)

RECEIVED

MAY 1 4 2012

#### **RESTORATION PLAN (Form 4)**

Ohio Department of Natural Resources

Division of Oil and Gas Resources Management, 2045 Morse Road, Bldg. F-2, Columbus OH 43229-6693

1. DATE OF APPLICATION: 11-May-12	
2. OWNER NAME, ADDRESS, & TELEPHONE NO .:	3. API #:
Chesapeake Exploration, L.L.C.	4. WELL #: 5H
P.O. Box 18496	5. LEASE NAME: Addy 9-12-6
Oklahoma City, OK 73154	6. PROPERTY OWNER: Robert T. & E. Miriam Addy
(405) 935-2750	7. COUNTY: Harrison
(400) 000-2100	8. CIVIL TOWNSHIP: Stock; T12N, R6W
	9. SECTION: 9 10. LOT: N/A
11. CURRENT LAND USE:	17. TYPE OF WELL:
Cropland Commercial	☐ Oil    Gas    Other
Pasture Idle Land	
Wetlands Recreational	18. STEEPEST SLOPE GRADIENT CROSSING SITE:
	The set of
Residential Industrial	0 to 2% 2.1 to 8%
Unreclaimed strip mine	8.1 to 10%
Woodland: Broadleaf Needlelike	10.1 to 24% greater than 24%
12. SLOPE GRADIENT & LENGTH DETERMINED FROM:	19. LENGTH OF STEEPEST SLOPE CROSSING SITE:
Ground Measurement	
U.S. Geological Survey Topographical Maps	1 to 100 ft. 101 to 200 ft.
✓ Other: (explain) Aerial Topo Map	✓ 201 to 400 ft. greater than 400 ft.
13. TYPE OF FALL VEGETAL COVER:	20. RESTORATION OF DRILLING PITS: **
	A CALENCE AND A MARKAGEMENT OF A DESCRIPTION OF A
Little or no vegetal cover	Haul drilling fluids and fill pits
Short grasses	Use steel circulating tanks
Tall weeds or short brush (1 to 2 ft.)	Proposed alternative     No pits, clsd vol mud sys
Brush or bushes (2 to 6 ft.)	
Agricultural crops	21. BACKFILLING AND GRADING AT SITE:
Trees with sparse low brush	Construct diversions channeled to naturally established
Trees with dense low brush	drainage systems
14. SOIL & RESOILING MATERIAL AT WELLSITE:	Construct terraces across slopes
Stockpile and protect topsoil to be used when preparing	Grade to approximate original contour
seedbed	Grade to minimize erosion & control offsite runoff
Use of soil additives (e.g., lime, fertilizer)	Proposed alternative
No resoiling planned	22. VEGETATIVE COVER TO BE ESTABLISHED AT SITE:
Proposed alternative	Seeding plan Sod
15. DISPOSAL PLAN FOR TREES AND TREE STUMPS:	
No trees disturbed Haul to landfill	Proposed alternative
Cut into firewood Sell to lumber	23. ADDITIONAL HOLES:
Bury with landowner's approval company	Rat/Mouse, if used, will be plugged
Mulch small trees and branches, erosion control	24. PROPOSED OR CURRENT LENGTH OF ACCESS ROAD:
Use for wildlife habitat with landowner approval	100 ft. or less 101 to 500 ft.
Proposed alternative Cut Pile Along Acc. Rd	☐ 501 to 1500 ft. ✓ greater than 1500 ft.
16. SURFACE AND SUBSURFACE DRAINAGE FACILITIES:	25. CURRENT LAND USE OF PATH OF ACCESS ROAD:
No existing drainage facilities for removal of surface and/	Cropland Pasture Commercial
or subsurface water	Idle land Wetlands Recreational
Tile drainage system underlying land to be disturbed	Industrial Residential
<ul> <li>Drain pipe(s) underlying land to be disturbed</li> </ul>	Unreclaimed strip mine
Surface drainage facilities on land to be disturbed	
	Woodland: L Broadleaf Needlelike

\*\*PITS MUST BE FILLED WITHIN TWO MONTHS AFTER COMMENCEMENT OF THE WELL AND WITHIN FOURTEEN DAYS AFTER COMMENCEMENT OF THE WELL IN AN URBANIZED AREA.

REQUIRED BY SECTION 1509.06 (A)(10), OHIO REVISED CODE -- FAILURED TO SUBMIT MAY RESULT IN AN ASSESSMENT OF CRIMINAL FINES NOT LESS THAN \$100.00 NOR MORE THAN \$2,000.00 OR CIVIL PENALTIES NOT LESS THAN \$4,000.00.

. . .

26. SURFACING MATERIAL FOR ACCESS ROAD:	29. STEEPEST SLOPE GRADIENT ON ACCESS ROAD:
27. PATH OF ACCESS ROAD TO BE DETERMINED BY:         Image: Contractor         Image: Contr	30. APPROXIMATE LENGTH OF STEEPEST SLOPE ON ROAD:           □         0 to 100 ft.           □         201 to 400 ft.           ✓         greater than 400 ft.
28. GRADING AND EROSION CONTROL PRACTICE ON ROAD:         ✓ Diversions       Filter strips         □ Drains       Riprap         □ Open top culverts       Water breaks         ✓ Outsloping of road       Pipe culverts         □ Proposed alternative	31. HAS LANDOWNER RECEIVED A COPY OF THIS RESTORATION PLAN? ☐ Yes ☑ No

The undersigned hereby agrees to implement all restoration operations identified on this form, and conform to all provisions of Section 1509.072 of the Ohio Revised Code, and to all Orders and rules issued by the Chief, Division of Oil and Gas Resources Management.

Signature of Owner/Authorized A	gent			
Name (Typed or Printed)	Ryan DeLong - Supervisor - Regulatory Compliance	Date	5/11/12	

RESTORATION PLAN MUST BE SUBMITTED TO THE DIVISION IN DUPLICATE.

## RECEIVED

MAY 1 4 2012

Revised 10/2011 DNR-744-7002 Page 2 of 2