

API No. _____ Application Status # <u>705884</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application.</i> <i>Duplication or distribution of information is at the user's own risk.</i>	
1. RRC Operator No. 147715		2. Operator's Name (as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.		3. Operator Address (include street, city, state, zip): ATTN CHRISTIAN COMBS PO BOX 18496 OKLAHOMA CITY, OK 73154			
4. Lease Name MCGUIRE		5. Well No. 1H					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack							
8. Total Depth 14000		9. Do you have the right to develop the minerals under any right-of-way ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 06		12. County SABINE		13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore			
14. This well is to be located <u>10.62</u> miles in a <u>NE</u> direction from <u>San Augustine</u> which is the nearest town in the county of the well site.							
15. Section	16. Block	17. Survey MCGUIRE		18. Abstract No. A-165	19. Distance to nearest lease line: 330 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 915.56	
21. Lease Perpendiculars: <u>527</u> ft from the <u>W</u> line and <u>294</u> ft from the <u>SE</u> line. 22. Survey Perpendiculars: <u>294</u> ft from the <u>SE</u> line and <u>5590</u> ft from the <u>NE</u> line.							
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
06	16032300	CARTHAGE (HAYNESVILLE SHALE)		Gas Well	14000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks 				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge.			
				<div style="display: flex; justify-content: space-between;"> <div> <u>Bill Spencer</u> Name of filer </div> <div> <u>Nov 23, 2010</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(512)9181062</u> Phone </div> <div> <u>bgsaustin@sbcglobal.net</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Nov 23, 2010 4:30 PM(Current Version)							

Permit Status: Pending Approval

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**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Form W-1H 07/2004
Supplemental Horizontal Well Information

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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Status # 705884

Approved Date:

1. RRC Operator No. 147715	2. Operator's Name (exactly as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.	3. Lease Name MCGUIRE	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 CARTHAGE (HAYNESVILLE SHALE) (Field # 16032300, RRC District 06)			
6. Section	7. Block	8. Survey MCGUIRE	9. Abstract 492
10. County of BHL SABINE			
11. Terminus Lease Line Perpendiculars 330 ft. from the N line. and 380 ft. from the W line			
12. Terminus Survey Line Perpendiculars 60 ft. from the N line. and 1810 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 330 ft. from the S line. and 380 ft. from the W line			