PERMIT FOR GAS DRILLING AND PRODUCTION

The City of Arlington hereby issues permission to conduct drilling and completion activities associated with an individual well.

This Gas Drilling and Production Permit shall be posted in a conspicuous place on the drill site and shall not be removed without prior permission of the Gas Well Inspector. This permit shall be presented to the Gas Well Inspector or any City official upon request. The terms and provisions of the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, are incorporated into this Gas Drilling and Production Permit as if written word for word herein and shall be considered terms and conditions of this Permit.

Permit Issued to:

Operator Chesapeake Operating, Inc.

Agent to Receive Notice Martin Johnson

Mailing Address 301 Commerce Street Suite 600

City Fort Worth State Texas Zip 76102 -

Work Phone (817) 870-1250 Mobile Phone (817) 880-5176 E-mail mjohnson6@chk.com

Proposed Well Name(s): TCC 3H

Property Description: Abstract 203 - Survey BBB&C RR Co - Tract 2

Address: 6800 South Watson Road, Tarrant County, Arlington, Texas

Parcel and Production Unit: TCC

RRC Permit Number: Permit # 657303 API # 42-439-33222

This permit is issued pursuant to the requirements of the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, Texas, 1987 (Ordinance No. 07-074) and the appropriate zoning and associated requirements approved by City Council.

Comments:
This permit is granted for GW08-8 and is valid from 8-21-08 until 2-16-09

Fee:	Receipt No.:	Check No.:	CC approval date:
$9,650.00	758-1392	943733	8-19-08

Betsy D. Dunham
Building Official

August 21, 2008
Date

Separate permits from the Community Development and Planning Department are required for building, mechanical, electrical, fire, concrete, walls/fencing, and plumbing.

The issuance of this permit shall not be construed as a permit to violate any provision of the Code of the City of Arlington, Texas or of the previously approved requirements, and associated site plan, identified in Zoning Case SUP07-16 and approved on 1-22-08.

Operator's Signature

1 Aug. 2008
Date

Martin J. Johnson
Printed Name

Note: Two (2) copies of the permit should be completed, signed by the operator, and submitted to the City of Arlington. One executed copy will be returned to the Operator, and the other copy will remain on file with the City.

INDEMNIFICATION AND EXPRESS NEGLIGENCE PROVISIONS:

Each gas well permit issued by the inspector shall include the following language: Operator does hereby expressly release and discharge all claims, demands, actions, judgments, and executions which it ever had, or now has or may have, or assigns may have, or claim to have, against the City of Arlington, and/or its departments, agents, officers, servants, successors, assigns, sponsors, volunteers, or employees, created by, or arising out of personal injuries, known or unknown, and injuries to property, real or personal, or in any way incidental to or in connection with the performance of the work performed by the Operator under a gas well permit. The Operator shall fully defend, protect, indemnify, and hold harmless the City of Arlington, Texas, its departments, agents, officers, servants, employees, successors, assigns, sponsors, or volunteers from and against each and every claim, demand, or cause of action and any and all liability, damages, obligations, judgments, losses, fines, penalties, costs, fees, and expenses incurred in defense of the City of Arlington, Texas, its departments, agents, officers, servants, or employees, including, without limitation, personal injuries and death in connection therewith which may be made or asserted by operator, its agents, assigns, or any third parties on account of, arising out of, or in any way incidental to or in connection with the performance of the work performed by the operator under a gas well permit. The operator agrees to indemnify and hold harmless the City of Arlington, Texas, its departments, its officers, agents, servants, employees, successors, assigns, sponsors, or volunteers from any liabilities or damages suffered as a result of claims, demands, costs, or judgments against the City, its departments, its officers, agents, servants, or employees, created by, or arising out of the acts or omissions of the City of Arlington occurring on the drill site or operation site in the course and scope of inspecting and permitting the gas wells including, but not limited to, claims and damages arising in whole or in part from the negligence of the City of Arlington occurring on the drill site or operation site in the course and scope of inspecting and permitting the gas wells. It is understood and agreed that the indemnity provided for in this section is an indemnity extended by the operator to indemnify and protect the City of Arlington, Texas and/or its departments, agents, officers, servants, or employees from the consequences of the negligence of the City of Arlington, Texas and/or its departments, agents, officers, servants, or employees, whether that negligence is the sole or contributing cause of the resultant injury, death, and/or damage.

Operator's Signature — *Date* 1 Aug. 2008

Martin J. Johnson
Printed Name

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Martin Johnson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed as the act and deed of Chesapeake Operating, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 1st day of August, 2008.

HEATHER M. BARCIA
MY COMMISSION EXPIRES
June 1, 2010

Notary Public In and For The State of Texas

My Commission Expires: 6-1-2010