



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 Dusty Anderson

Mailing Address 100 Energy Way

City Fort Worth State Texas Zip 76102

Work Phone (817) 502-5000 Mobile Phone E-mail dusty.anderson@chk.com

Proposed Well Name(s): Pruett Mountain 1H, Pruett Frontier 1H, Pruett North 4 H

Property Description: Tracts 3A1BA, 3C3 of the J. Wheat Survey, A-1678

Address: 7107 and 7115 Ledbetter and 7202 Calendar Road Arlington, Texas

Parcel and Production Unit: Pruett Mountain Unit, Pruett Frontier Unit, Pruett North Unit

RRC Permit Number: 685165 [42-439-34561], 684590 [42-439-34590], 685747 [42-439-34585]

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:

Permits GW09-47, GW09-48, and GW09-49 valid from 12-22-09 until 6-18-10. See attached pages 3 and 4 for site stipulations. Meeting required prior to each stage.

Table with 4 columns: Fee, Receipt No., Check No., CC approval date. Values include \$43,500, 1756-6120, 6121, 1787-6352, 1181085, 1178215, 1190965, 12-15-09

Building Official signature

Date 12/23/2009

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 P06-46 and approved on 2/27/2007.

Operator's Signature: Dusty Anderson

Date: 10/11/09

Printed Name: Dusty Anderson

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.

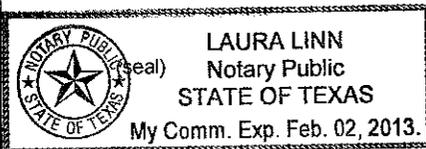
Dusty Anderson
Operator's Signature

10/1/09
Date

Dusty Anderson
Printed Name

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Dusty Anderson, 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 Manager of Permitting, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 1st day of October, 2009



Laura Linn
Notary Public In and For The State of Texas

My Commission Expires: 2/2/09

14. Temporary access road: Pursuant to the Arlington Gas Drilling Ordinance, Section VII, Paragraph 18, the access road will be at least 24-feet wide and will be surfaced with asphalt, gravel, or caliche material. "In particular cases these requirements governing surfacing of private roads may be altered at the discretion of the Inspector and the Director of Public Works after consideration of all circumstances..."
15. Lights: Pursuant to the Arlington Gas Drilling Ordinance, Section VII, Paragraph 15, "No person shall permit any lights located on any drill or operation site to be directed in such a manner so that they shine directly on public roads, adjacent property, or property in the general vicinity of the operation site. To the extent practicable, and taking into account safety considerations, site lighting shall be directed downward and internally so as to avoid glare on public roads and adjacent dwellings and buildings within 300 feet."
16. Noise: Prior to permitting, Chesapeake will report to the City of Arlington the pre-drilling ambient noise level and will agree not to create any noise which causes the exterior noise level, when measured at the nearest residence's property line that exceeds the ambient noise level by more than 5dBA during daytime hours and more than 3dBA during nighttime hours. Fracing operations may not exceed the ambient noise level by more than 7dBA. In addition, during nighttime operations the operation of vehicle audible back-up alarms will not be allowed and back-up alarms shall be replaced with spotters or flagmen. Deliveries of pipe, casing, and heavy loads will be limited to daytime hours, except for emergency situations. Chesapeake will install at least 24-foot-high sound walls on all four sides and use acoustical blankets, mufflers, or other alternative methods to maintain the above described sound levels, if needed. Due to the proximity of protected uses, the sound level shall be continuously monitored for compliance based on a one-minute average. The reports shall be forwarded to the City daily.
17. Street safety and traffic: Chesapeake will limit the truck deliveries to this location only due to the proximity of the elementary school and at the request of MISD during school traffic hours. Chesapeake will restrict truck traffic on this site between the hours of 7:00 a.m. to 9:00 a.m. and 3:00 p.m. to 5:00 p.m. except for cases in emergency. Chesapeake will hold informational/public safety meetings with local school officials to educate them on the equipment located at the drill site. Emergency response plans will be submitted to City Staff at the time of permitting.
18. Magnesium (MAG) Chloride shall be applied to the site access road. Proof of the initial application shall be provided to the City prior to issuance of any permit. In addition, MAG Chloride shall be applied to the access road on an annual basis and proof of application shall be provided to the City.
19. Within three months of permit issuance (MAR 2010), a concrete drive approach shall be installed adjacent to the public right-of-way.