



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) 502-5645 Mobile Phone (817) 718-6403 E-mail dusty.anderson@chk.com

Proposed Well Name(s): Fulson 5H, West Wing 5H, West Wing 6H

Property Description: Abstract 83 - J Balch Addition - Blk Lot 2A

Address: 5720 South Watson, Tarrant County, Arlington, Texas

Parcel and Production Unit: Fulson

RRC Permit Number: Permit # 685357 (API # 42-439-34574), #685963, #685964

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 issued for GW09-51, GW09-52, and GW09-53. Valid from 1-29-10 until 7-27-10. See page 3 for stipulations.

| Fee: | Receipt No.: | Check No.: | CC approval date: |
|-------------|--------------|------------|-------------------|
| \$43,500.00 | 1795-6468 | 1181034 | 1-26-10 |


Building Official

01/29/2010
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 SUP09-5 and approved on 8-18-09.


Operator's Signature

10-16-2009
Date

Dusty Anderson
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.

Dusty Anderson
Operator's Signature

10-16-2009
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 Chesapeake Operating, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16 day of Oct., 2009.



Lonell M. Meghan
Notary Public In and For The State of Texas

Fulson Drill Site Permit Stipulations

1. A sign will be displayed at the gate stating the well number, the name and number of the operator, the emergency 911 number, and the telephone numbers of two contacts.
2. Prior to permitting, Chesapeake will report to the City the pre-drilling ambient noise level and will agree not to create any noise which causes the exterior noise level to exceed the ambient noise level by more than 5dBA during daytime hours, 3dBA during nighttime hours, and 7dBA during fracing operations. A 24-hour pre-drilling sound level survey was performed at the Fulson Drill Site from Thursday, May 14, 2009 to Friday, May 15, 2009. On-site noise monitors recorded the ambient noise level and established the 24-hour average sound level at 5902 dBA. During drilling, the allowable daytime sound level is 64.2 dBA and the allowable nighttime sound level is 62.2 dBA. Fracing operations shall not exceed a 66.2 dBA noise level.
3. Traffic to the Fulson Drill Site will travel south on the State Highway (SH) 360, exit Green Oaks Boulevard, and continue on the SH 360 Frontage Road for 2.08 miles to the lease road on the right. One point of access will be provided from SH 360, South Watson Road, southbound Frontage Road via an access road easement. Traffic exiting the site will travel south on the SH 360 for 1.14 miles, continue east on Webb Lynn Road for 0.12 miles, and travel north on SH 360 to Interstate 20 Highway.
4. The approved water site plan limits the rate of withdrawal to a maximum of 1,000 gallons per minute.
5. Landscaping shall be provided on the outside of the masonry wall in accordance with the submitted plan and shall consist of screen trees and existing trees which will remain along the south and west boundaries, as shown on the site plan.