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): Bruder-Watson 1H

Property Description: A portion of Lot 7 of the OD Beall Addition

Address: 3701 West Interstate 20 Highway

Parcel and Production Unit: Bruder-Watson Unit

RRC Permit Number: 693206 [API: 42-439-34948]

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:
GW10-31 permit valid from 8-10-10 until 2-10-11. See page 3 for site stipulations.

Fee:	Receipt No.:	Check No.:	CC approval date:
$14,500	2081-7797	1234802	8-3-10

Building Official

8/11/2010
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 SUP09-7 and approved on 9/1/2009 and Res # 10-219 approved 8-3-10.

Dusty Anderson
Operator's Signature

5/21/10
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

5/21/10
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 Inc., and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 21st day of May, 2010.

(seal)
DAKOTA KAYE GRING
Notary Public
STATE OF TEXAS
My Comm. Exp. Jan. 08, 2013.

Dakota Kaye Gring
Notary Public In and For The State of Texas

My Commission Expires: 1/8/2013