PERMIT FOR GAS DRILLING AND PRODUCTION

The City of Arlington hereby issues permission to conduct gas drilling and completion activities associated with the well(s) identified below.

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

Well Name(s): Wheeler 2H

Property Description: Lot 1 of the P A Watson Survey, A-1731

Address: 3601 Randol Mill Road, Arlington, TX

Parcel and Production Unit: Wheeler Unit

RRC Permit Number: 690123 [API: 43-439-34775]

Permit(s) is/are issued pursuant to the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, (Ordinance Number 10-012); and the approved zoning, gas well resolution, and any associated stipulations made by City Council.

Comments:
Permit valid from 9-23-10 until 3-23-11. See Page 3 for site stipulations.

Fee	Receipt or Check No	Gas Well Permit No(s)	CC approval date
$14,500.00	2146-8027	GW10-44	9-14-10

Building Official

9/23/2010
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 SUP08-1, approved 05-06-08, and Gas Well Resolution 10-264, approved 9/14/10.

Dusty Anderson
Operator's Signature

9/23/10
Date

Dusty Anderson
Printed Name

Note: Submit an electronic, color copy of a completed permit that is signed and notarized by the operator. Once issued, an electronic copy will be returned to the Operator. Page 3, Permit Stipulations, will be added at time of issuance.

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

9/23/10
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 Energy, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of September, 2010.

LAURA E BINKLEY
Notary Public
STATE OF TEXAS
My Comm. Exp. Jun 04, 2011

Laura E Binkley
Notary Public In and For The State of Texas

My Commission Expires: 6/4/11

Southwest Parkway 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. The ambient noise level at the Southwest Parkway Drill Site was established on April 15-16, 2008 at 58.6 dBA. During drilling, the allowable nighttime sound level is 61.6 dBA and the allowable daytime sound level is 63.6 dBA. Fracing operations shall not exceed 65.6 dBA.

3. The approved water site plan limits the rate of withdrawal to a maximum of 895 gallons per minute.

4. The transportation route commences at Interstate Highway 30 (I-30) and State Highway (SH) 161. From this intersection, travel south on the SH 161 service road approximately 0.13 miles to West Tarrant Road. Travel west on West Tarrant Road, which becomes Avenue E, approximately 1.02 miles to North Great Southwest Parkway. Travel south on North Great Southwest Parkway for approximately 0.24 miles and take a U-turn. Travel back on North Great Southwest Parkway for 0.11 miles to the site access road on the east side of North Great Southwest Parkway. Reverse the directions to exit the site.

5. After completion of all wells, a solid masonry wall will enclose all completed wells and tanks located within the operation site.

6. Site development, other than drilling, shall be conducted only between the hours of 6:00 a.m. and 7:00 p.m., unless approval is obtained by the City.

7. A secured entrance gate containing a Knox-Box keybox or pad lock or equivalent is required. All gates are to be kept locked when the Operator or his employees are not within the enclosure. Barbed wire fencing is not permitted below a point six feet above the surrounding grade. The well heads and site equipment shall be surrounded by a six-foot chain link fence having a gate and lock. This required fence can either surround the entire site or be placed around the individual equipment areas. Secure fencing is required at all times the Operator or his employees are not on-site once drilling operations commence.