



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) 502-1250 Mobile Phone ( ) E-mail dusty.anderson@chk.com

Proposed Well Name(s): Yorn 2H, 3H, 5H

Property Description: Abstract 720 - Survey JC Houston - Tract 4R

Address: 5700 UD Highway 287, Tarrant County, Arlington, Texas

Parcel and Production Unit: Yorn

RRC Permit Number: Permit # 699823, 699821, 699818

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:

Gas Well Permit Numbers GW10-83 to GW10-85 (KTSO side)
Approved B-O-O Resolution Number 10-342

\*Landscape to be installed

Table with 4 columns: Fee, Receipt No., Check No., CC approval date. Contains handwritten values: 43,500, 2304-8778, GW10-83-GW10-85, 11.16.2010

14,500 @ 3 2304-8778 - 2304-8779 - 2304-8780

Building Official signature

Date 12/01/2010

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 SUPOB-17 and approved on 11.4.2008.

Operator's Signature (Dusty Anderson)

Date 8.4.2010

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.

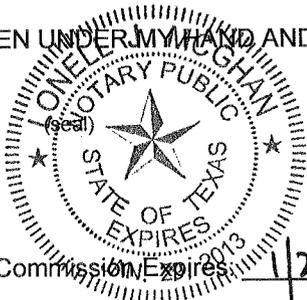
Dusty Anderson  
Operator's Signature

8.4.2010  
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 4th day of August, 2010.



Lonelle M. Shao  
Notary Public In and For The State of Texas

My Commission Expires 11/29/13

## ***KISD Drill Site Permit Stipulations***

1. One point of access will be provided from U.S. 287 Highway via an access road easement. The applicant indicated the route traveled to the KISD Drill Site will commence at Interstate 20 Highway (I-20), From I-20, travel south on the U.S. 287 Highway frontage road for 1.9 miles. Entrance to the lease road is on the right, west of the service road.
2. Prior to permitting, KISD reported to the City the pre-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 the daytime hours, 3dBA during the nighttime hours, and 7 dBA during the fracing operations. A 24-hour pre-drilling sound level survey was performed at the KISD site March 23<sup>rd</sup> through March 24<sup>th</sup>. On site noise monitors recorded ambient noise level and established the 24-hour average sound level at 67.9 dBA. During the drilling, the allowable nighttime sound level is 70.9 dBA and the allowable daytime sound level is 72.9 dBA. Fracing operations shall not exceed 74.9 dBA noise level.
3. The applicant is proposes to enter into an Agreement with the City to lease a water meter, hook it up to a nearby fire hydrant, and purchase approximately four million gallons of water per well. The approved water site plan limits the rate of withdrawal to a maximum of 1,000 gallons per minute.
4. A sign will be displayed at the gate stating well name and number, the name of Operator, the emergency 911 number, and the telephone numbers of two contacts.
5. Fences shall not be required on drill sites during initial drilling, completion or re-working operations as long as 24-hour on-site supervision is provided. A secured entrance gate containing a Knox-Box keybox or pad lock or equivalent shall be required. All gates are to be kept locked when the Operator or his employees are not within the enclosure. Within 30 days after completion of the final well, all operation sites shall be completely enclosed by a solid masonry wall and vegetation.
6. Landscaping and irrigation shall be provided as identified in the approved specific use permit. It shall be the responsibility of the Operator to comply with the City's landscaping ordinance including tree preservation/mitigation and maintenance. Landscaping must blend with the environment and existing surrounding area. Landscaping must be installed within 30 days from the completion of the permitted gas well.  
  
Chesapeake Energy Corporation will plant six 3-inch caliper and eight 4-inch caliper trees as shown on the site plan, Exhibit D-6, after construction of the eight-foot masonry wall.
7. Site development, other than drilling shall be conducted only between the hours of 6:00 a.m. and 7:00 p.m.