



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): Villages of Fairfield 4H, 5H

Property Description: William Lacy Survey, A-929 Lot/Tract 5

Address: 500 East IH 20, Arlington

Parcel and Production Unit: Villages of Fairfield Unit

RRC Permit Number: 698705 [API: 43-439-35270] and 699651 [API: 43-439-35297]

This permit is issued pursuant to the requirements of the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, (Ordinance No. 07-074) and the approved zoning and any associated stipulations made by City Council.

Comments:

Approved 8-0-0 resolution #10343 (Landing Drill Site)
\* Emergency sign not visible.
\* Fence by POB to be fixed - leaning pole
\* Magnesium chloride to be placed on driveway.

Table with 4 columns: Fee, Receipt or Check No., Gas Well Permit No(s), CC approval date. Values include 29,000, 2318-9208 + 2318-9210, GW10-86-GW10-87, 11/16/2010.

Signature of Building Official

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 SUP07-17 and approved on 3/18/08.

Signature of Operator's Signature

Date 8/10/10

Printed Name Dusty Anderson

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

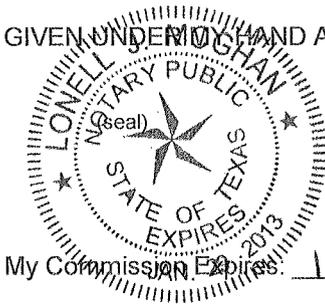
8/10/10  
Date

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 10th day of August, 20 10.

Ronnie M. Lohan  
Notary Public In and For The State of Texas



My Commission Expires: 1/29/13

## **Landing 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 Landing Drill Site from March 25 to 26, 2008. On-site noise monitors recorded the ambient noise level and established a 24-hour average sound level at 59.9 dBA. During drilling, the allowable nighttime sound level is 62.9 dBA and the allowable daytime sound level is 64.9 dBA. Fracing operations shall not exceed a 66.9 dBA noise level.
3. Chesapeake will 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 Landing Drill Site is approved for two water meters with different maximum flow rates for each meter, depending upon the hydrant location, as shown on Exhibit H. The hydrant flow rates are 800 and 780 gallons per minute, respectively.
4. Transportation access to the Landing Drill Site will be from the signalized intersection of Interstate 20 Highway and Matlock Road, travel south on Matlock Road to Bardin Road, and then travel east along Bardin Road. At the end of Bardin Road is the existing site access road that utilizes the Right-of-Way (ROW) for future South Center Street. The I-20 and Matlock Road intersection is utilized for the Stoner, Landing, Cornerstone, and Matlock Yu Drill Sites. Matlock Road is a Major Arterial and designated commercial delivery route with 52,873 average trips per day. Due to these counted traffic numbers, drill site traffic is prohibited at this intersection between the hours of 4 p.m. until 6 p.m., Monday through Friday.
5. Landscaping and irrigation shall be provided as identified in the approved zoning and/or specific use permit (SUP). The approved SUP does not indicate that any landscaping shall be provided at this site. However, the existing tree mass that was left undisturbed during padsite construction and drilling of the initial wells is anticipated to remain intact during drilling, fracing, and production of any additional wells.