



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): Matlock 1H, Mayflower 3H, 4H, 5H, Tech Center 2H

Property Description: RR Ramey Survey, A-1343 Lot/Tract 1

Address: 3601 Allen Avenue, Arlington, Tx

Parcel and Production Unit: Matlock Unit, Mayflower Unit and Tech Center Unit

RRC Permit Number: 672558 [API: 43-439-33867], 697288 [API: 43-439-35208], 697290 [API: 43-439-35210], 697291 [API: 43-439-35209], and 696433 [API: 43-439-35175]

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 7-0-1 Resolution Number 10-345 (Matlock Drill Site)

Table with 4 columns: Fee, Receipt or Check No., Gas Well Permit No(s), CC approval date. Values: 72,500, 2365-10145 to 2365-10149, GW10-96-GW10-100

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 SUP09-02 and approved on 8/4/09.

Operator's Signature: Dusty Anderson

Date: 8/25/10

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

8/25/10  
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 25th day of August, 2010.



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

My Commission Expires: 1/29/13

## **Matlock Drill Site Permit Stipulations**

1. One point of access is provided from East Arbrook Boulevard. A 24-foot wide entry way will provide access to the well heads. The transportation route shall begin at Interstate 20 Highway (I-20), take the New York Avenue exit, and travel the I-20 frontage road for approximately 1.19 miles to New York Avenue. Turn north and travel New York Avenue approximately 0.46 miles to East Arbrook Boulevard. Travel approximately 0.08 miles west on Arbrook Boulevard to the site access road. To exit the site, reverse the directions to the I-20 frontage road to gain access back onto I-20.
2. After completion of all wells, a solid masonry wall will enclose all completed wells and tanks located within the operation site. Landscaping will be provided along the east and south boundary of the drill site and consists of Live Oak, Redbud, and Eastern Red Cedar plantings. The frac pond will not be screened from view; however, the drill site is screened with landscaping on the two sides fronting public rights-of-way. The west boundary is adjacent to an existing 75-foot utility easement and high tension power line and is not proposed to be screened.
3. A 12-foot wide gate will be located at the entry way of the well pad site as depicted in the development plan. The gate provided shall be kept locked except when being used, and the operator is required to provide the City Fire Chief with a Knox Padlock or Knox Box.
4. Due to the proximity to protected uses, the operator shall continuously monitor exterior noise levels at the protected use setback and report the results to the City.
5. The approved water site plan allows water withdrawal from the identified existing hydrant adjacent to New York Avenue and limits the rate of withdrawal to a maximum of 1,000 gallons per minute.
6. The lights will not shine directly on public roads, adjacent property, or property in the general vicinity.
7. The top of the tanks will be no higher than eight feet above the terrain and all tanks will be set back as required by the Railroad Commission, at least 25 feet from any public right-of-way or property line.
8. Tank batteries, well facilities and equipment will be located at least 100 feet from any public park or from any public or private school, residence, church, or hospital.
9. 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. Per the development plan, the signs shall comply with the Sign Ordinance.
10. Upon completion of drilling, all wells will be abandoned in accordance with the rules of the Railroad Commission.
11. No equipment will be stored on the drilling or production operation site unless it is necessary to the everyday operation of the well.