ARLINGTON

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 Well 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 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 Well Permit as if written word for word herein and shall be considered terms and conditions of this Permit. Gas Well Permits are issued pursuant to the "Gas Drilling and Production" Chapter, as amended, and the approving zoning case, gas well resolution, and any associated stipulations made by City Council or the Inspector in accordance with City Code.

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) 502-5645 Mobile Phone ( ) E-mail dusty.anderson@chk.com

Well Name(s): Yorn 2H GW11-12

Drill Site Name: KISD Pad

Address: 5700 US Highway 287, Arlington Tx

Parcel and Production Unit: Yorn

RRC Permit Number: 708661

Well API Number: 42-439-35684

Comments:
Permit issued 5/9/2011
Expires 180 days from date of issuance
See attached Stipulations

Fee	Receipt or Check No	Gas Well Permit No(s)	CC approval date
$ 14,500.00	2748-62889	GW11-12	4.26.2011

Building Official

5/9/2011
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 the previously approved requirements and associated site plan identified in Zoning Case SUP 08-17 approved 11/4/08 and Gas Well Resolution 11-150 approved 4.26.2011.

Dusty Anderson
Operator's Signature

1/26/11
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 permit 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

1/26/11
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 26 day of January, 20 11.

STACEY A. DELAUNE NOTARY PUBLIC STATE OF TEXAS (seal) NOV. EXPIRES: NOVEMBER 12, 2014

Stacey A. DeLaune
Notary Public In and For The State of Texas

My Commission Expires: 11/12/14

KISD Drill Site Permit Stipulations
GW11-12 and GW11-22

1. One point of access will be provided from U.S. 287 Highway via an access road easement. The route 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. Established ambient sound level 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 800 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. 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.

6. *An eight foot masonry wall along the northern and eastern boundaries shall be installed within 90 days after the first well (GW11-12 or GW11-22) is drilled. An eight foot masonry wall shall be installed along the southern and western boundaries within 30 days after completion of the final well, all operation sites shall be completely enclosed by a solid masonry wall and vegetation.

7. 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.

8. Site development, other than drilling shall be conducted only between the hours of 6:00 a.m. and 7:00 p.m.