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): Arkansas 4H and 5H

Drill Site Name: Arkansas

Address: 3031 East Arkansas Lane

Parcel and Production Unit: Arkansas

RRC Permit Number: 708834 and 708842

Well API Number: 42-439-35687 and 42-439-35688

Comments:
Permits issued 5.17.2011
Expires November 13, 2011

Fee	Receipt or Check No	Gas Well Permit No(s)	CC approval date
14,500.00	2748-12890	GW11-13 and GW11-14	May 10, 2011
14,500.00	2748-12891		

Building Official 5/17/2011 *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 09-20 approved 01.26.10 and Gas Well Resolution 11-183 approved 5.10.2011.

Dusty Anderson *Operator's Signature* 1/25/11 *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

1/25/11
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 25 day of January, 2011.

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

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

My Commission Expires: 11/12/14

Arkansas 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. Due to the proximity of protected uses, the sound level shall be continuously monitored for compliance based on a one-minute average. The reports shall be forwarded to the City daily. The sound shall be monitored as close to nearby residences as possible while still in compliance with sound monitoring distance requirements. A 24-hour pre-drilling sound level survey was performed at the Arkansas Drill Site from November 30 to December 1, 2009. On-site noise monitors recorded the ambient noise level and established the 24-hour average sound level at 56 dBA. During drilling, the allowable nighttime sound level is 59 dBA and the allowable daytime sound level is 61 dBA. Fracing operations shall not exceed a 63 dBA noise level.

3. The applicant 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 1,200 gallons per minute.

4. The applicant indicated traffic to the Arkansas Drill Site will commence at State Highway (SH) 360. From SH 360, exit at East Pioneer Parkway and travel east approximately 0.5 miles to Forum Drive. Head south on Forum Drive a total of 0.45 miles and turn west on East Arkansas Lane. Travel 0.11 miles to the site access road, north of Arkansas Lane. To leave the site, travel approximately 0.31 miles west on Arkansas Lane to SH 360. Due to construction closures of the east bound Pioneer Parkway exit ramp, site traffic shall exit Arkansas Lane and utilize the SH 360 frontage road to arrive at East Pioneer Parkway. The remainder of the traffic route shall be followed.

5. After completion of all wells, a solid masonry wall with a minimum height of eight feet and landscaping must enclose all completed wells and tanks located within the operation site. Landscaping should consist of trees and shrubs which must be chosen from the Texas Smartscape List. One tree shall be provided every 35 linear feet and shrubs shall be spaced no greater than three feet on center. A detailed landscape plan and plant schedule must be provided upon drilling permit submittal. The property owner shall be responsible for the installation, preservation, and maintenance of all landscaping and physical features shown on the landscape plan.