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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 14, 2011

MR MICHAEL W PARK
DISTRICT MANAGER
CHESAPEAKE OPERATING INC
PO BOX 18496
OKLAHOMA CITY OK 73154-0496

Permit by Rule Registration Number: 93564
Location/City/County: From the junction of Highway 83 and FM 1046 southwest of Briscoe, travel east for 0.75 mile on FM 1046, and then turn south into the site, Barstow, Ward County
Project Description/Unit: Lee Hefley 2H Production Facility
Regulated Entity Number: RN106001597
Customer Reference Number: CN600514004
New or Existing Site: Existing
Affected Permit (if applicable): None
Renewal Date (if applicable): None

Chesapeake Operating, Inc. has certified the emissions associated with the changes at the Lee Hefley 2H Production Facility under Title 30 Texas Administrative Code §§ 106.352(l) (effective February 27, 2011) and 106.512 (effective June 13, 2001). The company made the following changes:

- Removed two compressor engines: one 95 hp Caterpillar G3304 NA engine (EPN ENG1) and one Arrow VRG 220 engine (EPN ENG2).
- Removed one 0.50 MMBtu/hr heater treater (EPN HT2).
- Revised the gas production from 8 MMSCF/day to 2 MMSCF/day and oil production from 400 bbl/day to 350 bbl/day. Produced water production is still 3,500 bbl/day.
- Added a 145 hp Caterpillar G3306 NA gas lift engine (EPN ENG3).

Emissions are listed on the attached table. For rule information see:

www.tceq.texas.gov/permitting/air/nav/numerical_index.html.

Planned MSS emissions from compressor blowdowns for the 145 hp Caterpillar G3306 NA gas lift engine (EPN ENG3 - MC2683) have been reviewed and are based on 1,000 SCF per blowdown, 1 hour per blowdown, and 20 blowdowns per year. These authorized MSS emissions are included on the emissions table. No other planned MSS emissions have been represented or reviewed.

The company is also reminded that these facilities may be subject to and must comply with other state and federal air quality requirements. In addition, under the General Requirements for all Permit by Rules, § 106.2 states that particular requirements only apply "where construction is commenced on or after the effective date of the relevant permit by rule."

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All analytical data generated by a mobile or stationary laboratory to support the compliance with an air permit must be obtained from a NELAC (National Environmental Laboratory Accreditation Conference) accredited laboratory. For additional information regarding the laboratory accreditation program, please see the following Web site which includes the accreditation and exemption information:

www.tceq.texas.gov/compliance/compliance_support/qa/env_lab_accreditation.html.

This certification is taken under the authority delegated by the Executive Director of the TCEQ. If you have questions, please contact Mr. Marc Olivier at (512) 239-1294.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne M. Inman', with a stylized, flowing script.

Anne M. Inman, P.E., Manager
Rule Registrations Section
Air Permits Division

cc: Air Section Manager, Region 1 - Amarillo

Attachment: Emission Sources - Certified Emission Rates

Project Number: 168975