

Chesapeake

Fayetteville Shale Investment

Chesapeake's Investment in the Fayetteville Shale

Employees/Jobs: More than 300 people work for Chesapeake in the Fayetteville Shale, with more job growth expected. Those employees include rig crews and employees in the field, and our regional corporate office in Little Rock.

Drilling Costs: A typical well costs approximately \$3 million depending on differences in technological challenges and completion costs.

Taxes: Chesapeake has paid more than \$5 million in taxes since 2003, benefiting schools, roads and other government programs in Arkansas.

Royalties: The average royalty rate for mineral rights owners in the Fayetteville Shale is approximately 16%. In 2007, almost \$8.5 million in royalties was on wells located in Arkansas while almost \$15 million in royalties was paid to owners who live in Arkansas. Chesapeake anticipates paying more than \$10 billion in royalties to Arkansas mineral owners over the lifetime of the play.

Future Investments: Chesapeake invested approximately \$500 million in Arkansas in 2007 and plans to invest at least that much per year in Arkansas through 2015.

Corporate Headquarters

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The keys to success in the Fayetteville Shale are:

- **Acreage:** Chesapeake is the largest owner in the Fayetteville Shale with more than 1.1 million net acres under lease. Most of the acres currently being developed are located in Conway, Faulkner, Van Buren and White counties, which are considered to be the “sweet spots” for Fayetteville natural gas.
- **Data:** Chesapeake owns the area’s most extensive 3-D seismic databank, which combined with our team of highly skilled engineers and geoscientists, provides a 98% drilling success rate.
- **Technology:** The company’s horizontal drilling technology, along with our noise, light, water, security and traffic management technologies, help reduce neighborhood inconveniences and are environmentally friendly.
- **People:** Our people, whether they work in north central Arkansas or across the nation, are dedicated to making their communities better places to live, work and raise a family.

Some organizations that have benefited from Chesapeake charitable contributions:

Arkansas Activities Association
Downtown Network Heber Springs
Pangburn School District
Searcy Chamber of Commerce
Searcy Junior Auxiliary
The Nature Conservancy of Arkansas
University of Arkansas Dept. of Geosciences
White County Fairgrounds
Wonderview School District

