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APPLICATION

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7097-63050

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, Louisiana 70804

RE: Hosston Formation, Reservoir A
Upper Cotton Valley Formation, Reservoir A
Lower Cotton Valley Formation, Reservoir A
Northeast Hodge Field
Jackson Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Hosston Formation, Reservoir A**, the **Upper Cotton Valley Formation, Reservoir A**, and the **Lower Cotton Valley Formation, Reservoir A**, in the Northeast Hodge Field, Jackson Parish, Louisiana, to-wit:

A. AS TO THE HOSSTON FORMATION:

1. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from this reservoir, such units to be designated HOSS RA SU CC, HOSS RA SU DD, HOSS RA SU EE and HOSS RA SU FF;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;

3. To designate a unit well and a unit operator for each of the proposed units, as may be appropriate; and
 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.
- B. AS TO THE UPPER AND LOWER COTTON VALLEY FORMATIONS:
1. To establish rules and regulations and create six (6) drilling and production units for the exploration for and production of gas and condensate from each of these reservoirs, such units to be designated UCV RA SU A, LCV RA SU A; UCV RA SU B, LCV RA SU B; UCV RA SU C, LCV RA SU C; UCV RA SU D, LCV RA SU D; UCV RA SU E, LCV RA SU E; and UCV RA SU F, LCV RA SU F;
 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
 3. To designate a unit well and a unit operator for each of the proposed units, as may be appropriate;
 4. To provide that the Commissioner of Conservation should be authorized to reclassify the Upper Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Formation, Reservoir A by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
 5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation in the Northeast Hodge Field, Jackson Parish, Louisiana was previously defined by Order No. 930, effective June 1, 1974.

The Upper Cotton Valley Formation in the Northeast Hodge Field, Jackson Parish, Louisiana, is hereby defined as that certain gas and condensate bearing interval encountered between the depths of 11,600 feet and 12,530 feet, electrical log measurements, in the Anadarko Petroleum Corp. – Ritchie 36 No. 1 Well, located in Section 36, Township 16 North, Range 3 West, Jackson Parish, Louisiana.

The Lower Cotton Valley Formation in the Northeast Hodge Field, Jackson Parish, Louisiana, is hereby defined as that certain gas and condensate bearing interval

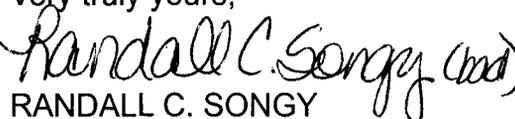
encountered between the depths of 12,100 feet and 14,920 feet, electrical log measurements, in the Anadarko Petroleum Corp. – Davis Brothers E No. 1 Well, located in Section 16, Township 16 North, Range 2 West, Jackson Parish, Louisiana.

No conference to discuss the proposed application was held, as none was requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting **David Comeaux, with Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70508, (337)233-9839.**

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$2,265.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SONGY

RCS/elg/bad/Enclosures

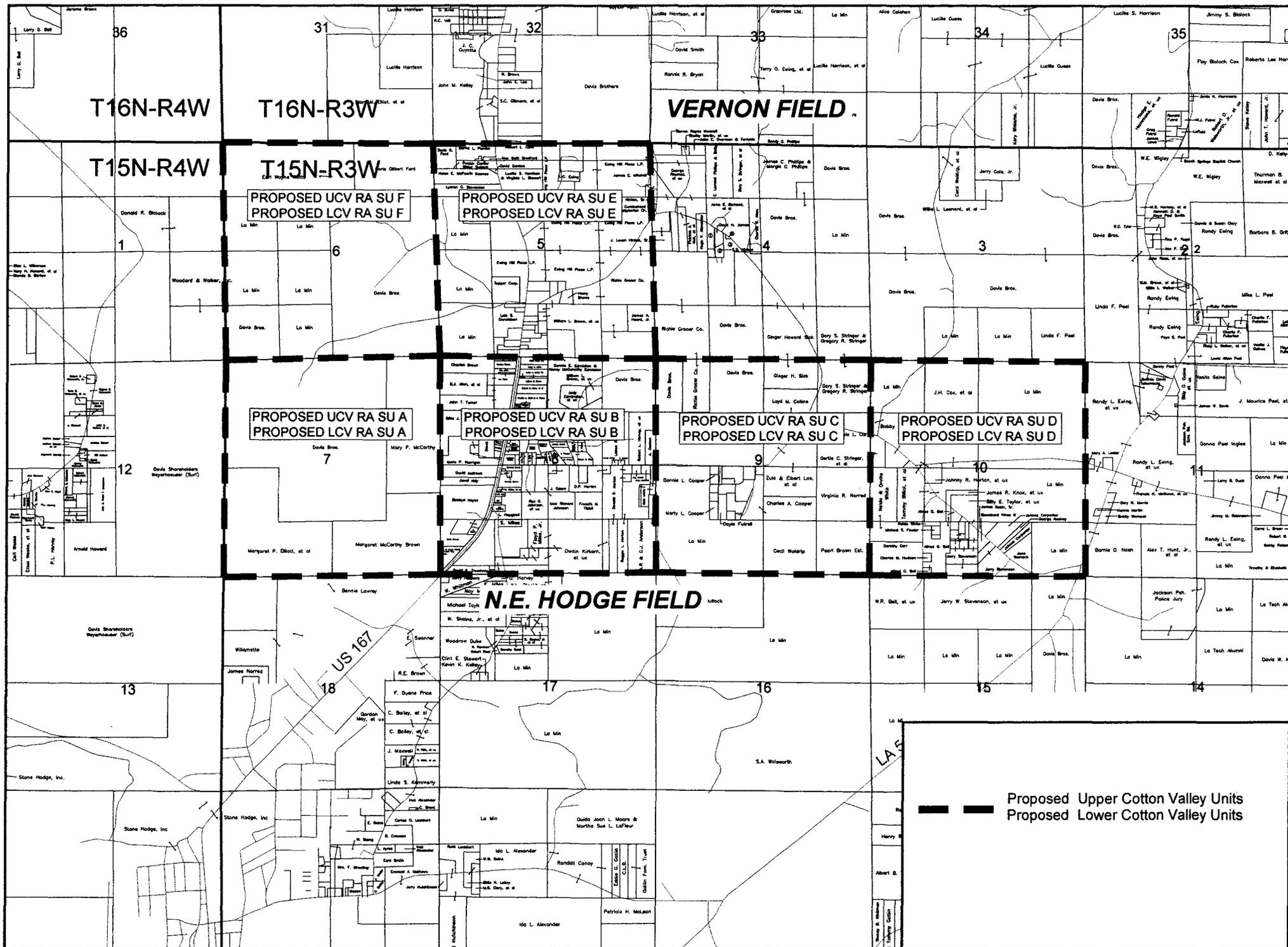
cc: Mr. Jim Broussard, Shreveport District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed unit.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.



T16N-R4W

T16N-R3W

VERNON FIELD

T15N-R4W

T15N-R3W

PROPOSED UCV RA SU F
 PROPOSED LCV RA SU F

PROPOSED UCV RA SU E
 PROPOSED LCV RA SU E

PROPOSED UCV RA SU A
 PROPOSED LCV RA SU A

PROPOSED UCV RA SU B
 PROPOSED LCV RA SU B

PROPOSED UCV RA SU C
 PROPOSED LCV RA SU C

PROPOSED UCV RA SU D
 PROPOSED LCV RA SU D

N.E. HODGE FIELD

US 167

LA 5

Proposed Upper Cotton Valley Units
 Proposed Lower Cotton Valley Units