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November 29, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Lower Cotton Valley Formation, Reservoir A; Cotton Valley "D" Zone; and Hosston (Travis Peak) Zone; SLIGO FIELD, Bossier Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir A; the Cotton Valley "D" Zone; and to the Hosston (Travis Peak) Zone; all in the Sligo Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize an additional alternate unit well for HOSS TP SUC and two (2) additional alternate unit wells for HOSS TP SUD, at the locations shown on attached plats.

2. To permit Applicant to drill, designate and utilize an additional alternate unit well for CV D SUI and two (2) additional alternate unit wells for CV D SUJ, at the locations shown on attached plats.

3. To permit Applicant to drill, designate and utilize an additional alternate unit well for LCV RA SUU and two (2) additional alternate unit wells for LCV RA SUV, at the locations shown on attached plats.

4. To approve exceptions to the spacing provisions of Office of Conservation Order No. 8-B, effective September 1, 1956 (applicable to the Cotton Valley "D" Zone and Hosston [Travis Peak] Zone), and Office of Conservation Order No. 8-K, effective October 16, 1990 (applicable to the Lower Cotton Valley Formation, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, does not comply with the spacing provisions in said Orders.

5. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the hydrocarbons underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

dls/app/sligo45.application.wpd

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was redefined in Office of Conservation Order No. 8-K-3, effective April 9, 1998, as to the units LCV RA SUU and LCV RA SUV.

The Cotton Valley "D" Zone and the Hosston (Travis Peak) Zone in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

Any pertinent data concerning this application will be available for inspection at the offices of Craig C. Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person desiring to inspect any such data should call Mr. Barclay at (318) 869-2223 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

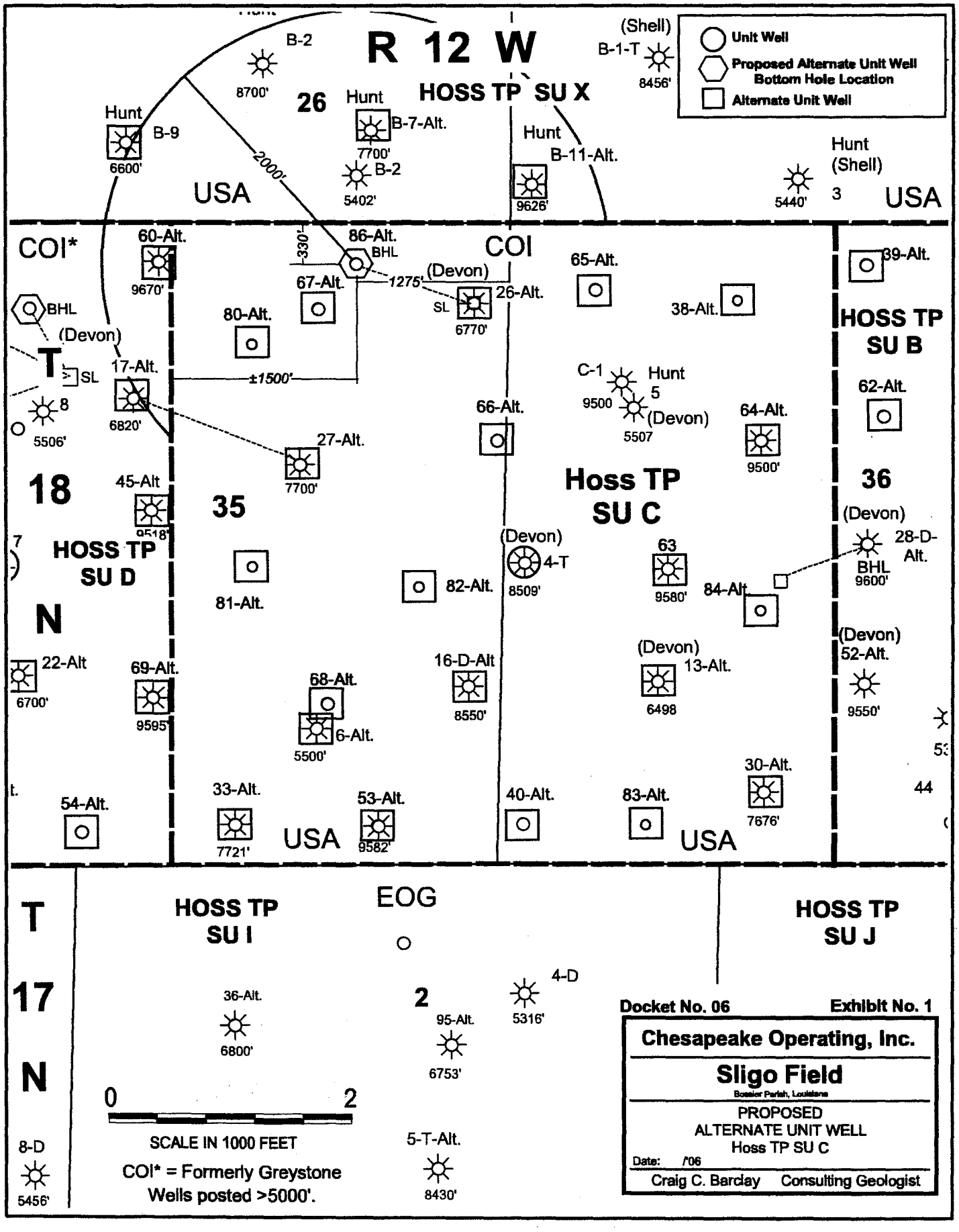
A check payable to the Office of Conservation and covering the application fee is enclosed.

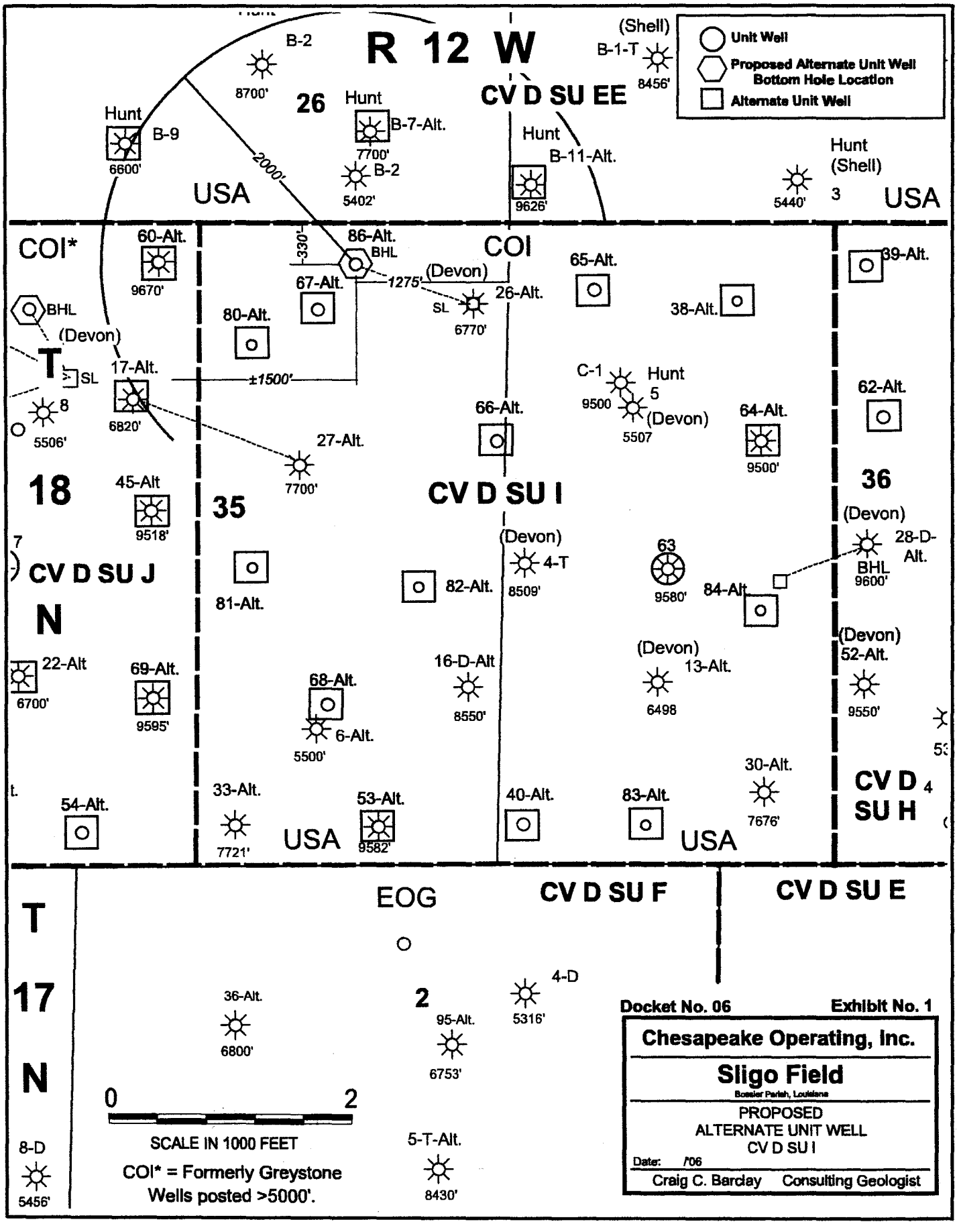
Yours very truly,

David L. Smelley
-- Attorney for Chesapeake Operating, Inc.

DLS:dp
Enclosures
cc: Mr. Jim Broussard (w/encls.)
Mr. Les Rodman (w/encls.)
Ms. Denise Eaton (w/encls.)
Mr. Craig C. Barclay (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

dls/app/sligo45.application.wpd


R 12 W
HOSS TP SU X
Unit Well
Proposed Alternate Unit Well Bottom Hole Location
Alternate Unit Well
26
Hunt
B-2
8700'
Hunt
B-9
6600'
Hunt
B-7-Alt.
7700'
B-2
5402'
2000'
USA
Hunt
B-11-Alt.
9626'
(Shell)
B-1-T
8456'
Hunt
(Shell)
3
5440'
USA
COI*
60-Alt.
9670'
330'
86-Alt.
BHL
COI
(Devon)
1275'
67-Alt.
26-Alt.
SL
6770'
65-Alt.
38-Alt.
39-Alt.
HOSS TP
SU B
BHL
(Devon)
T
SL
17-Alt.
6820'
8
5506'
80-Alt.
±1500'
C-1
9500
Hunt
5
(Devon)
5507
66-Alt.
64-Alt.
9500'
62-Alt.
27-Alt.
7700'
18
45-Alt
9518'
35
Hoss TP
SU C
36
(Devon)
28-D-Alt.
BHL
9600'
HOSS TP
SU D
(Devon)
4-T
8509'
63
9580'
84-Alt
81-Alt.
82-Alt.
N
22-Alt
6700'
69-Alt.
9595'
68-Alt.
6-Alt.
5500'
16-D-Alt
8550'
(Devon)
13-Alt.
6498
(Devon)
52-Alt.
9550'
30-Alt.
7676'
54-Alt.
33-Alt.
7721'
USA
53-Alt.
9582'
40-Alt.
83-Alt.
USA
44
T
17
N
HOSS TP
SU I
EOG
HOSS TP
SU J
36-Alt.
6800'
2
95-Alt.
6753'
4-D
5316'
0
2
SCALE IN 1000 FEET
COI* = Formerly Greystone
Wells posted >5000'.
8-D
5456'
5-T-Alt.
8430'
Docket No. 06
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
PROPOSED
ALTERNATE UNIT WELL
Hoss TP SU C
Date: /06
Craig C. Barclay Consulting Geologist



R 12 W
Unit Well
Proposed Alternate Unit Well Bottom Hole Location
Alternate Unit Well
(Shell)
B-1-T
8456'
B-2
8700'
26
Hunt
B-7-Alt.
7700'
B-2
5402'
CV D SU EE
Hunt
B-9
6600'
2000'
USA
Hunt
B-11-Alt.
9626'
Hunt
(Shell)
3
5440'
USA
COI*
60-Alt.
9670'
330'
86-Alt.
BHL
COI
65-Alt.
39-Alt.
67-Alt.
1275'
(Devon)
26-Alt.
SL
6770'
38-Alt.
BHL
(Devon)
80-Alt.
T
SL
17-Alt.
6820'
±1500'
C-1
9500
Hunt
5
(Devon)
5507
62-Alt.
8
5506'
66-Alt.
64-Alt.
9500'
27-Alt.
7700'
18
45-Alt
9518'
35
CV D SU I
36
(Devon)
28-D-Alt.
BHL
9600'
7
CV D SU J
N
(Devon)
4-T
8509'
63
9580'
84-Alt.
81-Alt.
82-Alt.
(Devon)
52-Alt.
9550'
22-Alt
6700'
69-Alt.
9595'
68-Alt.
6-Alt.
5500'
16-D-Alt
8550'
(Devon)
13-Alt.
6498
30-Alt.
7676'
CV D SU H
4
54-Alt.
33-Alt.
7721'
USA
53-Alt.
9582'
40-Alt.
83-Alt.
USA
EOG
CV D SU F
CV D SU E
T
17
N
36-Alt.
6800'
2
95-Alt.
6753'
4-D
5316'
0
2
SCALE IN 1000 FEET
COI* = Formerly Greystone Wells posted >5000'.
8-D
5456'
5-T-Alt.
8430'
Docket No. 06
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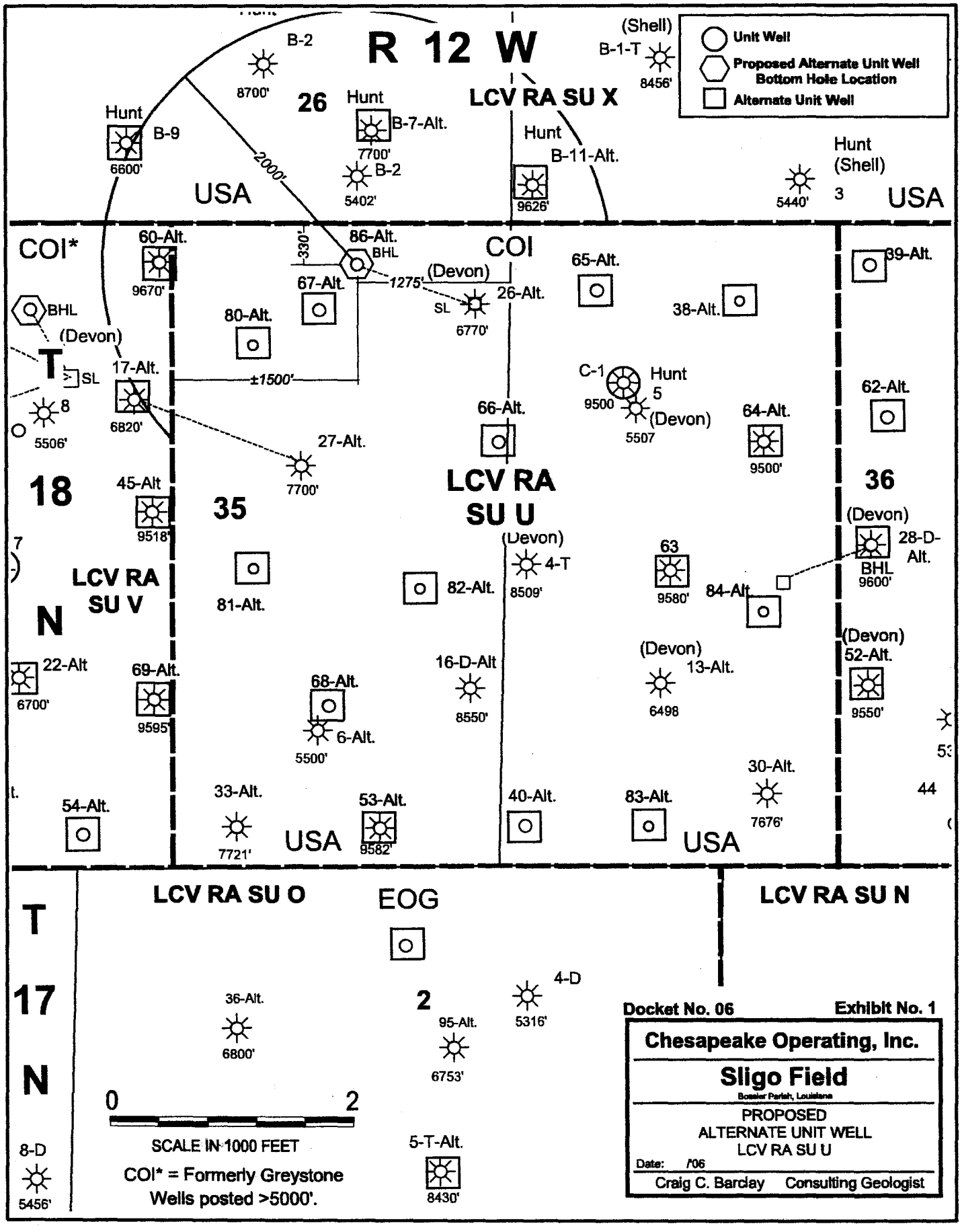
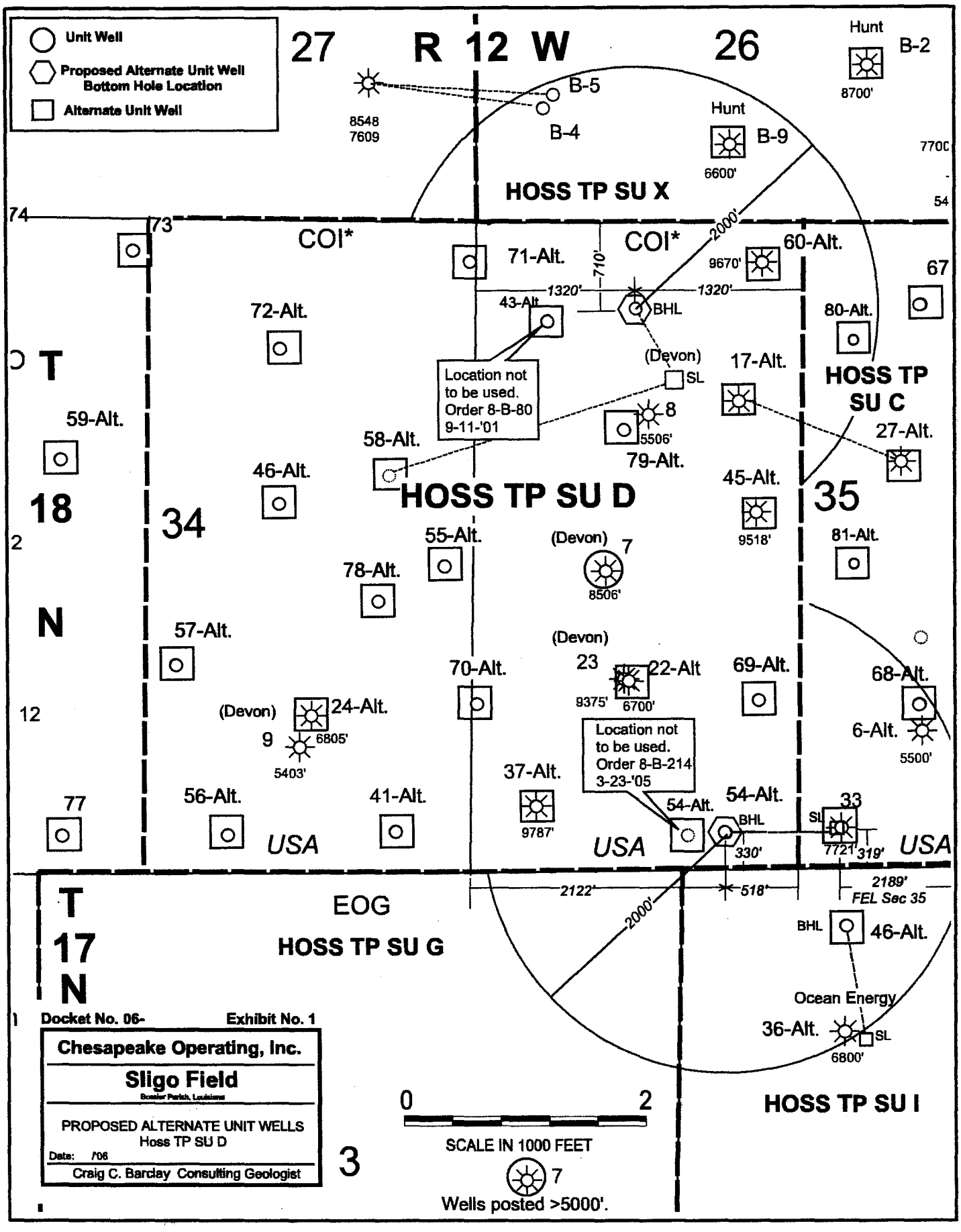
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
PROPOSED
ALTERNATE UNIT WELL
CV D SU I
Date: /'06
Craig C. Barclay Consulting Geologist



R 12 W
Unit Well
Proposed Alternate Unit Well Bottom Hole Location
Alternate Unit Well
LCV RA SU X
26
Hunt
B-2
8700'
B-9
6600'
B-7-Alt.
7700'
B-2
5402'
2000'
USA
Hunt
B-11-Alt.
9626'
(Shell)
B-1-T
8456'
Hunt
(Shell)
3
5440'
USA
COI*
60-Alt.
9670'
330'
86-Alt.
BHL
COI
(Devon)
1275'
67-Alt.
26-Alt.
SL
6770'
65-Alt.
38-Alt.
39-Alt.
BHL
(Devon)
80-Alt.
T
SL
17-Alt.
6820'
±1500'
C-1
Hunt
5
9500
(Devon)
5507
62-Alt.
8
5506'
66-Alt.
64-Alt.
9500'
27-Alt.
7700'
18
45-Alt
9518'
35
LCV RA
SU U
36
(Devon)
28-D-Alt.
BHL
9600'
(Devon)
4-T
8509'
63
9580'
84-Alt.
LCV RA
SU V
81-Alt.
82-Alt.
N
(Devon)
52-Alt.
9550'
22-Alt
6700'
69-Alt.
9595'
68-Alt.
6-Alt.
5500'
16-D-Alt
8550'
(Devon)
13-Alt.
6498
30-Alt.
7676'
44
54-Alt.
33-Alt.
7721'
USA
53-Alt.
9582'
40-Alt.
83-Alt.
USA
LCV RA SU O
EOG
LCV RA SU N
T
17
N
36-Alt.
6800'
2
95-Alt.
6753'
4-D
5316'
0
2
SCALE IN 1000 FEET
COI* = Formerly Greystone
Wells posted >5000'.
8-D
5456'
5-T-Alt.
8430'
Docket No. 06
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
PROPOSED
ALTERNATE UNIT WELL
LCV RA SU U
Date: /'06
Craig C. Barclay Consulting Geologist



Docket No. 06- Exhibit No. 1

Chesapeake Operating, Inc.

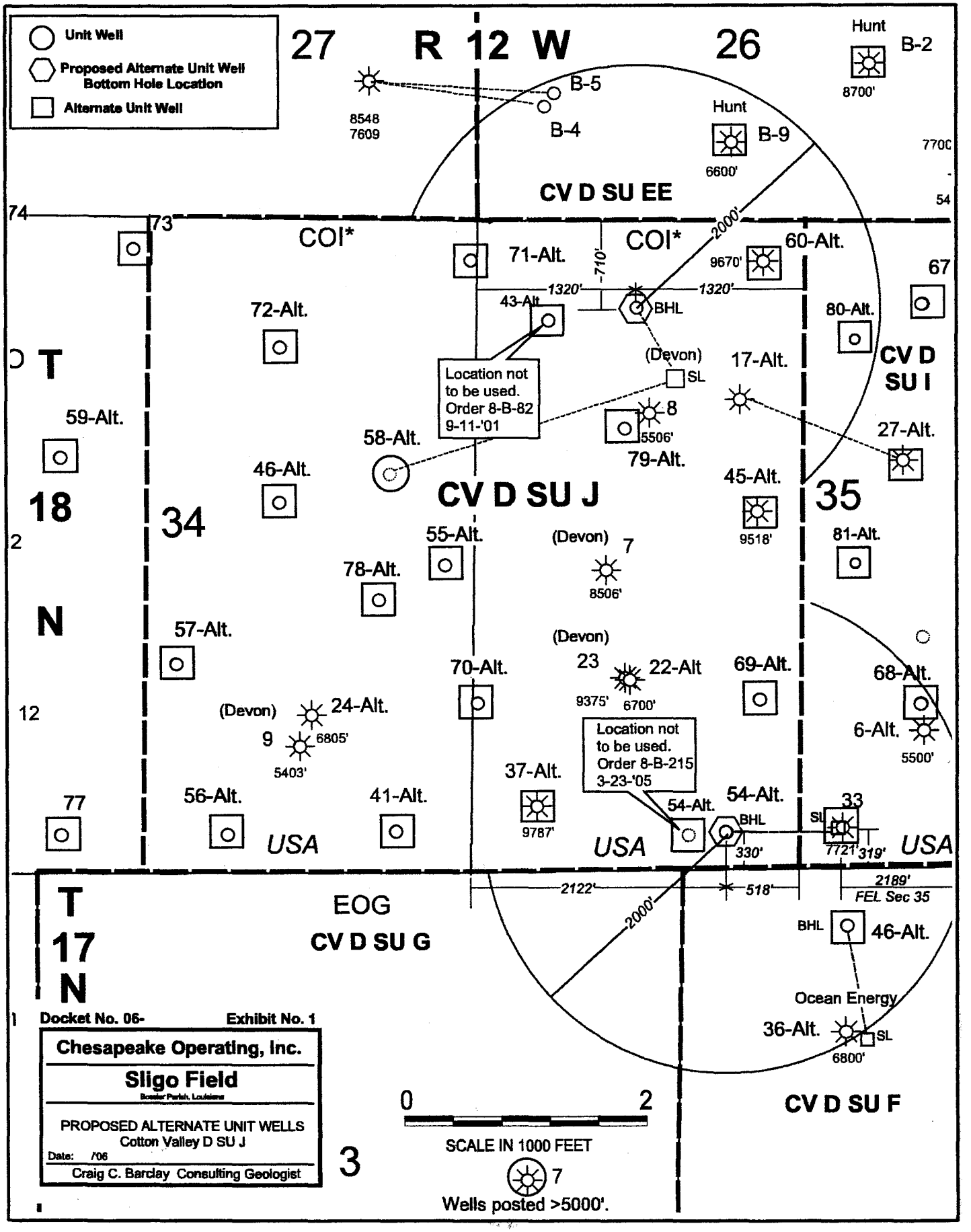
Sligo Field

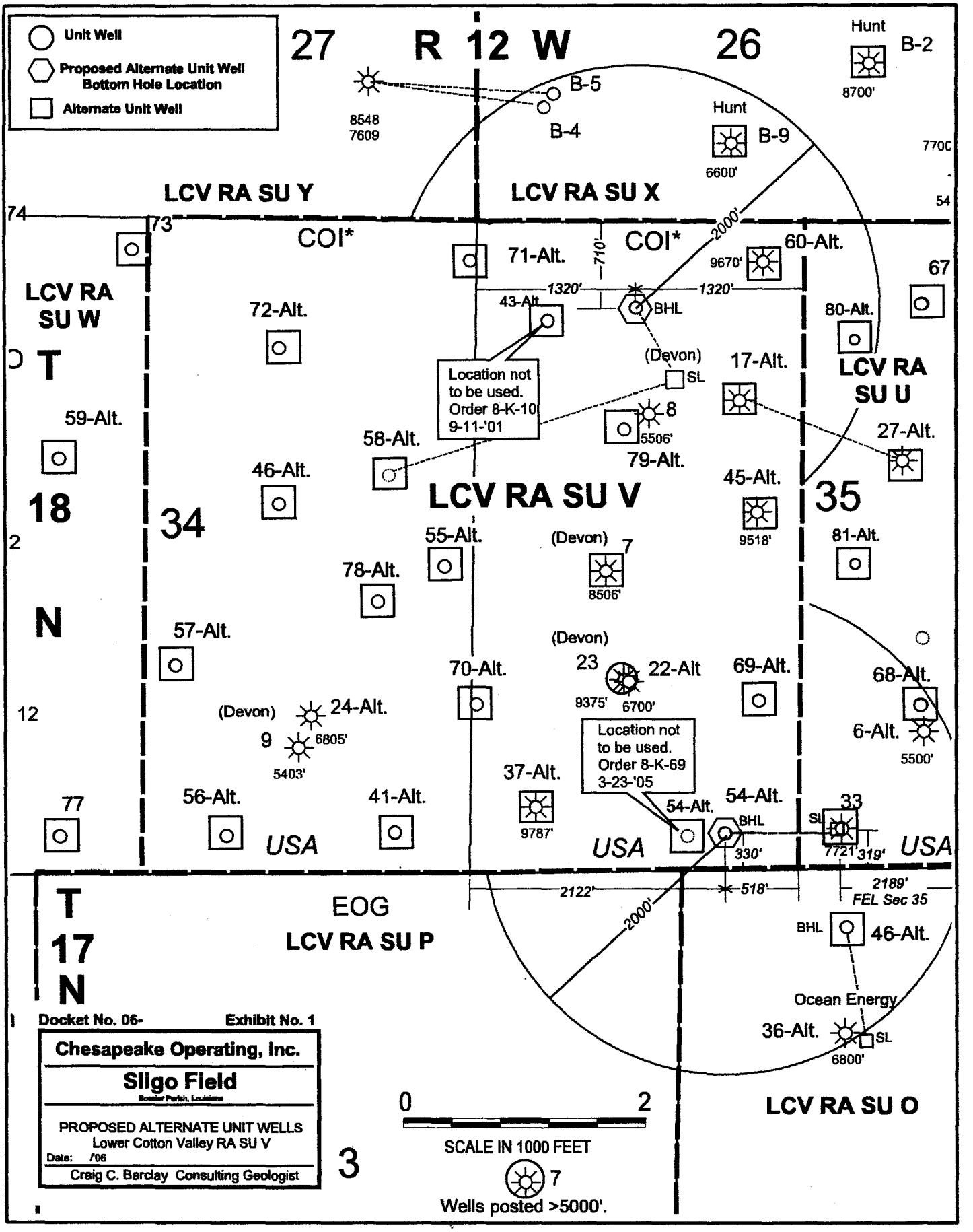
Bossier Parish, Louisiana

PROPOSED ALTERNATE UNIT WELLS
Hoss TP SU D

Date: /06

Craig C. Barclay Consulting Geologist


Unit Well
Proposed Alternate Unit Well Bottom Hole Location
Alternate Unit Well
27
R 12 W
26
Hunt
B-2
8700'
B-5
B-4
8548
7609
Hunt
B-9
6600'
7700
CV D SU EE
54
74
73
COI*
71-Alt.
COI*
2000'
60-Alt.
9670'
67
710'
1320'
1320'
43-Alt.
BHL
72-Alt.
80-Alt.
CV D SU I
T
(Devon)
SL
17-Alt.
Location not to be used. Order 8-B-82 9-11-'01
8
5506'
59-Alt.
58-Alt.
79-Alt.
27-Alt.
46-Alt.
45-Alt.
18
34
CV D SU J
35
9518'
2
55-Alt.
(Devon)
7
81-Alt.
78-Alt.
8506'
N
57-Alt.
(Devon)
23
22-Alt
70-Alt.
69-Alt.
68-Alt.
9375'
6700'
12
(Devon)
24-Alt.
9
6805'
5403'
6-Alt.
5500'
Location not to be used. Order 8-B-215 3-23-'05
37-Alt.
77
56-Alt.
41-Alt.
54-Alt.
54-Alt.
33
BHL
SL
USA
USA
USA
9787'
330'
7721'
319'
2122'
518'
2189'
FEL Sec 35
T
17
N
EOG
CV D SU G
2000'
BHL
46-Alt.
Ocean Energy
36-Alt.
SL
6800'
CV D SU F
Docket No. 06-
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
PROPOSED ALTERNATE UNIT WELLS
Cotton Valley D SU J
Date: /06
Craig C. Barclay Consulting Geologist
3
0
2
SCALE IN 1000 FEET
7
Wells posted >5000'.


Unit Well
Proposed Alternate Unit Well Bottom Hole Location
Alternate Unit Well
27
R 12 W
26
Hunt
B-2
8700'
B-5
B-4
8548
7609
Hunt
B-9
6600'
7700
LCV RA SU Y
LCV RA SU X
54
74
73
COI*
71-Alt.
710'
COI*
2000'
60-Alt.
9670'
67
LCV RA SU W
1320'
1320'
43-Alt.
BHL
72-Alt.
80-Alt.
T
(Devon)
SL
17-Alt.
LCV RA SU U
Location not to be used. Order 8-K-10 9-11-'01
8
5506'
59-Alt.
58-Alt.
79-Alt.
27-Alt.
46-Alt.
LCV RA SU V
45-Alt.
18
34
35
9518'
55-Alt.
(Devon)
7
81-Alt.
2
78-Alt.
8506'
N
57-Alt.
(Devon)
23
22-Alt
69-Alt.
68-Alt.
70-Alt.
9375'
6700'
12
(Devon)
24-Alt.
9
6805'
5403'
Location not to be used. Order 8-K-69 3-23-'05
6-Alt.
5500'
37-Alt.
77
56-Alt.
41-Alt.
54-Alt.
54-Alt.
33
BHL
SL
USA
USA
USA
9787'
330'
7721'
319'
T
17
N
EOG
LCV RA SU P
2122'
518'
2189'
FEL Sec 35
2000'
BHL
46-Alt.
Ocean Energy
36-Alt.
SL
6800'
LCV RA SU O
0
2
SCALE IN 1000 FEET
7
Wells posted >5000'.
3
Docket No. 06-
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
PROPOSED ALTERNATE UNIT WELLS
Lower Cotton Valley RA SU V
Date: /06
Craig C. Barclay Consulting Geologist