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March 24, 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; Cotton Valley "C" Zone, Reservoir A; 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; the Cotton Valley "C" Zone, Reservoir A; and to the Hosston (Travis Peak) Zone; all in the Sligo Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize one (1) additional alternate unit well each for HOSS TP SUE and for HOSS TP SUO, two (2) additional alternate unit wells each for HOSS TP SUP, for HOSS TP SUR and for HOSS TP SUS, and three (3) additional alternate unit wells for HOSS TP SUBB, at the locations shown on an attached plat.

2. To permit Applicant to drill, designate and utilize a unit well for CV C RA SUB, one (1) additional alternate unit well for CV C RA SUE, two (2) additional alternate unit wells each for CV C RA SUA and for CV C RA SUF, and three (3) additional alternate unit wells for CV C RA SUC, at the locations shown on an attached plat.

3. To permit Applicant to drill, designate and utilize one (1) additional alternate unit well each for CV D SUX and for CV D SUCC, two (2) additional alternate unit wells each for CV D SUN, for CV D SUW and for CV D SUAA, and three (3) additional alternate unit wells for CV D SUV, at the locations shown on an attached plat.

4. To permit Applicant to drill, designate and utilize one (1) additional alternate unit well each for LCV RA SUC and for LCV RA SUF, two (2) additional alternate unit wells each for LCV RA SUA, for LCV RA SUB and for LCV RA SUE, and three additional alternate unit wells for LCV RA SUD, at the locations shown on an attached plat.

5. 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), Office of Conservation Order No. 8-C, effective September 1, 1958 (applicable to the Cotton Valley "C" Zone, Reservoir A) 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.

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

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

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-K, effective October 16, 1990.

The Cotton Valley "C" Zone, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-B-2, effective August 1, 1958.

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, and the Hosston (Travis Peak) Zone was redefined as to HOSS TP SUO by Office of Conservation Order No. 8-B-59, effective November 14, 1995.

Any pertinent data concerning this application will be available for inspection at the offices of Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect any such data should call Mr. Adams at (225) 929-6097 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 the four (4) 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.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

dls/app/sligo38.application.wpd

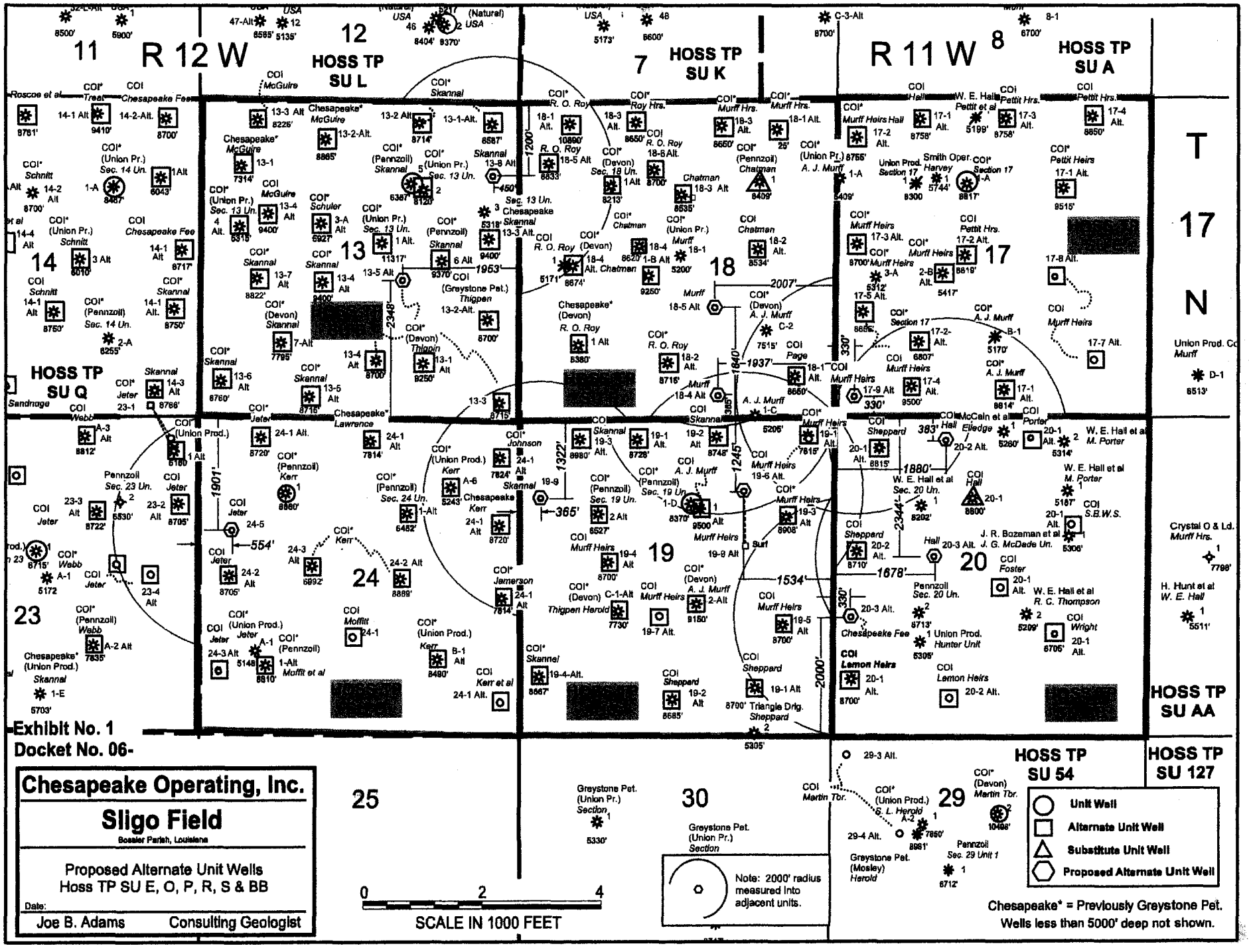
R 12 W
R 11 W
T 17 N
HOSS TP SU L
HOSS TP SU K
HOSS TP SU A
HOSS TP SU Q
HOSS TP SU AA
HOSS TP SU 54
HOSS TP SU 127
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Exhibit No. 1
Docket No. 06-
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
Proposed Alternate Unit Wells
Hoss TP SU E, O, P, R, S & BB
Date:
Joe B. Adams
Consulting Geologist
0 2 4
SCALE IN 1000 FEET
Note: 2000' radius measured into adjacent units.
Unit Well
Alternate Unit Well
Substitute Unit Well
Proposed Alternate Unit Well
Chesapeake* = Previously Greystone Pet.
Wells less than 5000' deep not shown.

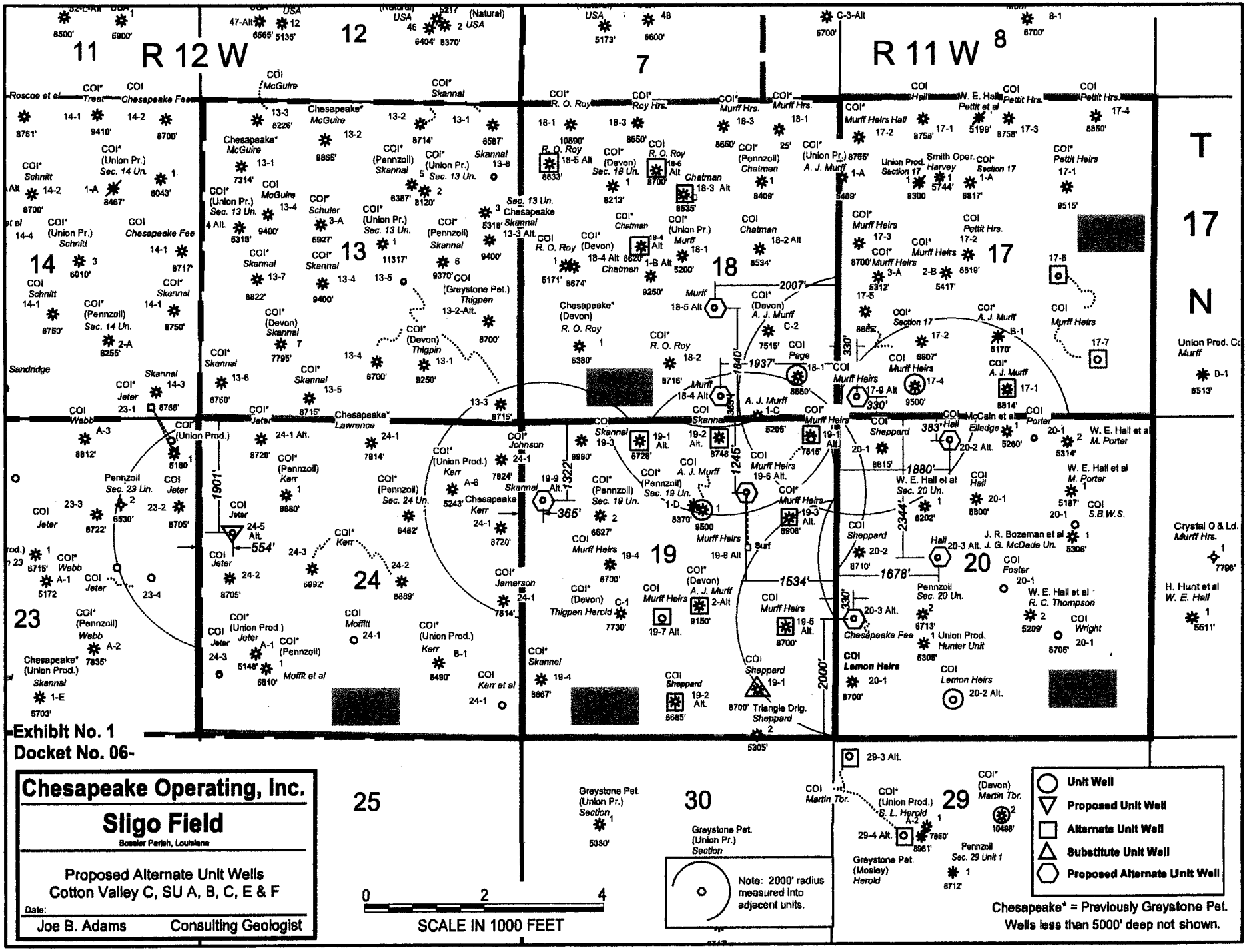
R 12 W
R 11 W
T 17 N
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Exhibit No. 1
Docket No. 06-
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
Proposed Alternate Unit Wells
Cotton Valley C, SU A, B, C, E & F
Date:
Joe B. Adams
Consulting Geologist
0
2
4
SCALE IN 1000 FEET
Note: 2000' radius measured into adjacent units.
Unit Well
Proposed Unit Well
Alternate Unit Well
Substitute Unit Well
Proposed Alternate Unit Well
Chesapeake* = Previously Greystone Pet.
Wells less than 5000' deep not shown.

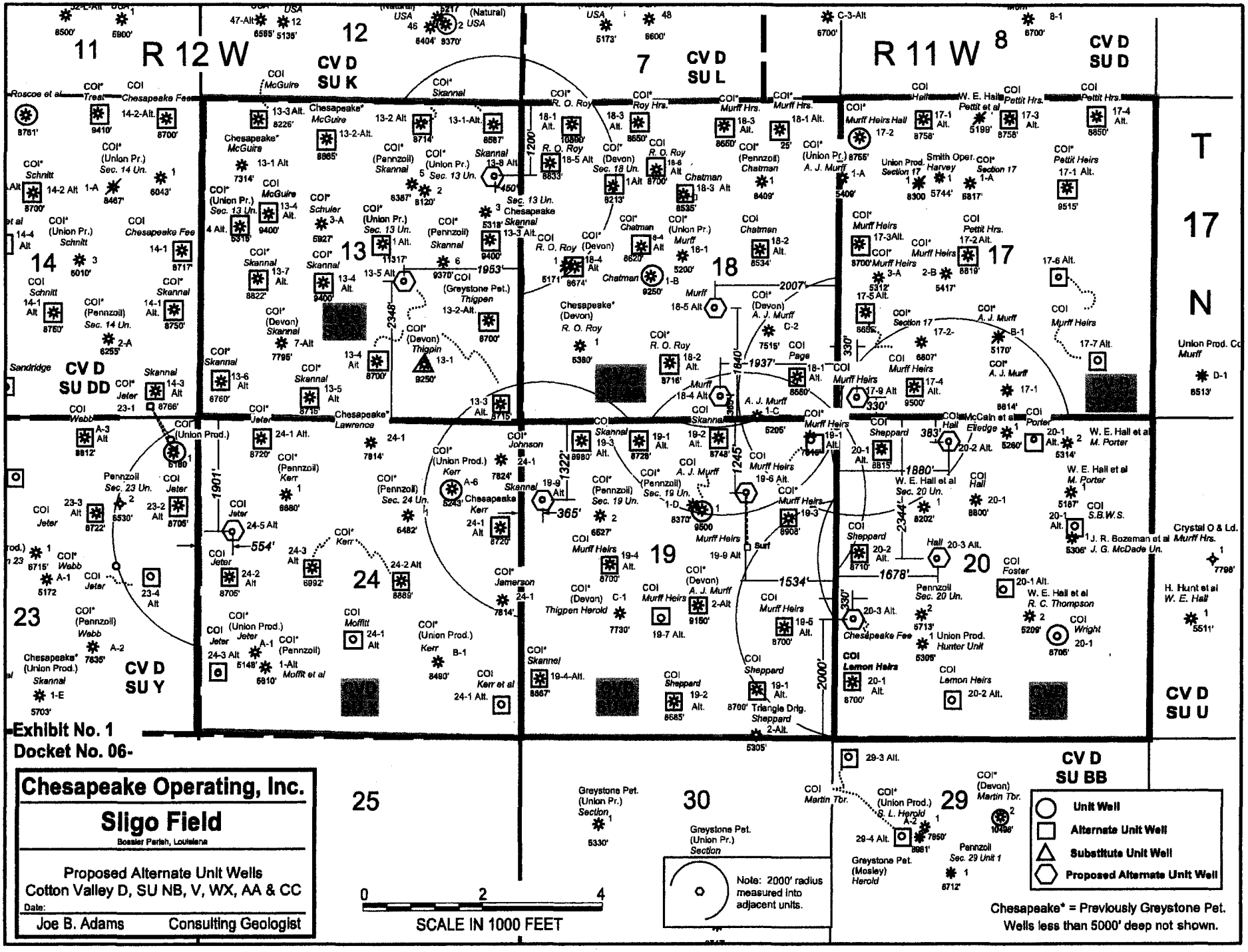


Exhibit No. 1
Docket No. 06-

**Chesapeake Operating, Inc.**

**Sligo Field**

Bossier Parish, Louisiana

Proposed Alternate Unit Wells
Cotton Valley D, SU NB, V, WX, AA & CC

Date:

Joe B. Adams — Consulting Geologist

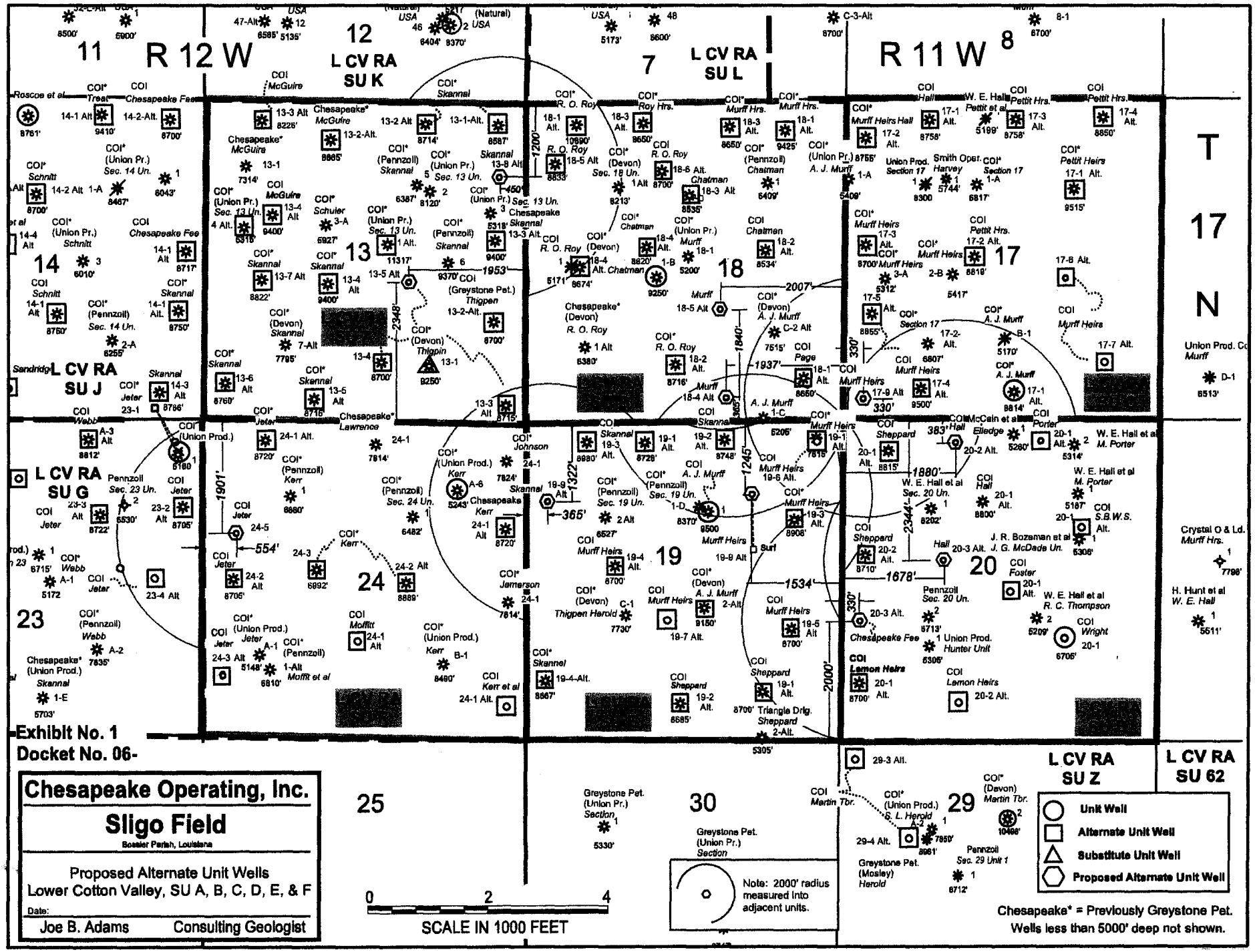


Exhibit No. 1
Docket No. 06-

**Chesapeake Operating, Inc.**

**Sligo Field**

Bossier Parish, Louisiana

Proposed Alternate Unit Wells
Lower Cotton Valley, SU A, B, C, D, E, & F

Date:

Joe B. Adams Consulting Geologist