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May 15, 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.

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

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley "C" Zone, Reservoir A, such units being shown on an attached plat and being designated CV C RA SUG and CV C RA SUH.
2. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley "D" Zone, such units being shown on an attached plat and being designated CV D SUII and CV D SUJJ.
3. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated LCV RA SUDD and LCV RA SUEE.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.

5. To designate unit wells for, and operators of, the proposed additional units as may be appropriate.

6. To redefine the Lower Cotton Valley Formation, Reservoir A, insofar and only insofar as to LCV RA SUDD and LCV RA SUEE, as being that gas and condensate bearing zone encountered between the depths of 8,180 feet and 9,600 feet, electric log measurements, in the Chesapeake Operating Inc. (formerly Devon Energy Production Co., L.P.)--Martin Timber Company No. 2 Well, located in Section 29, Township 17 North, Range 11 West, Bossier Parish, Louisiana.

7. To approve the downhole combination of production from the Hosston (Travis Peak) Formation; the Cotton Valley "C" Zone, Reservoir A; the Cotton Valley "D" Zone; and the Lower Cotton Valley Formation, Reservoir A; or from any combination thereof, in the wellbore of any existing well or subsequently drilled well located on the proposed units.

8. To discuss such other matters as may be pertinent.

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) Formation in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

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.

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 wishing 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.

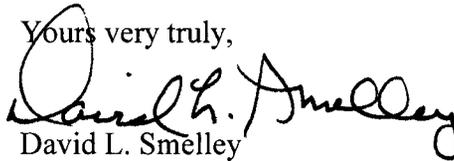
By letter dated May 3, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set May 25, 2006, as the tentative date for the pre-application conference. While notice of a desire to confer was received, the questions were answered without the necessity of a conference; accordingly, no pre-application conference will be held.

Honorable James H. Welsh
May 15, 2006
Page 3

Pursuant to the Revised 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 each of the three (3) unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and 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 as 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, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

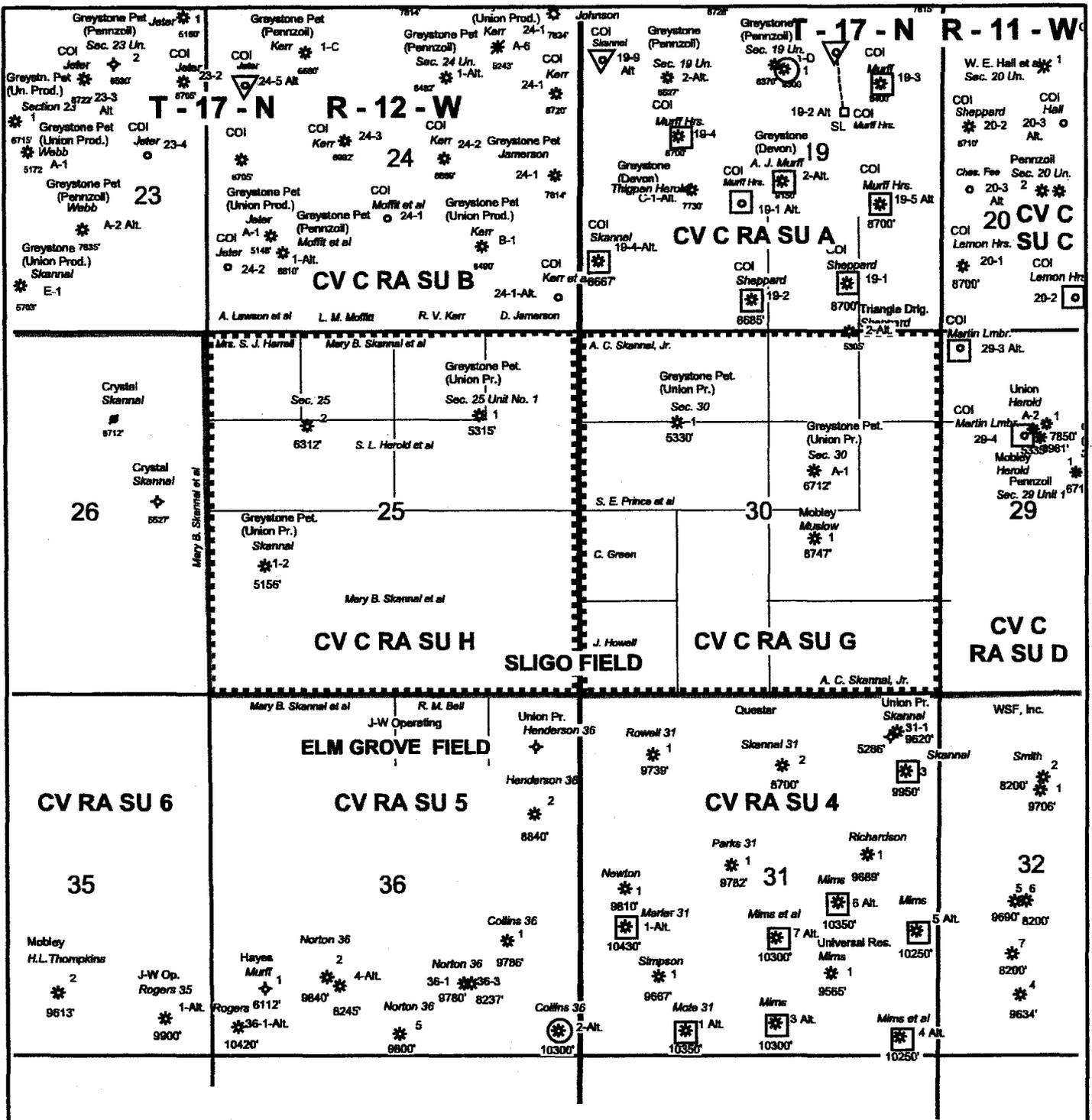
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Chesapeake Operating, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encl.)
Mr. Les Rodman (w/encl.)
Mr. Joe Adams (w/encl.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



= Proposed Units:
CV C RA SU G & H

- Unit Well
- Alternate Unit Well
- Substitute Unit Well
- Pending Alternate Unit Well

Wells less than 5000' deep not shown.
0 1 2
SCALE IN 1000 FEET

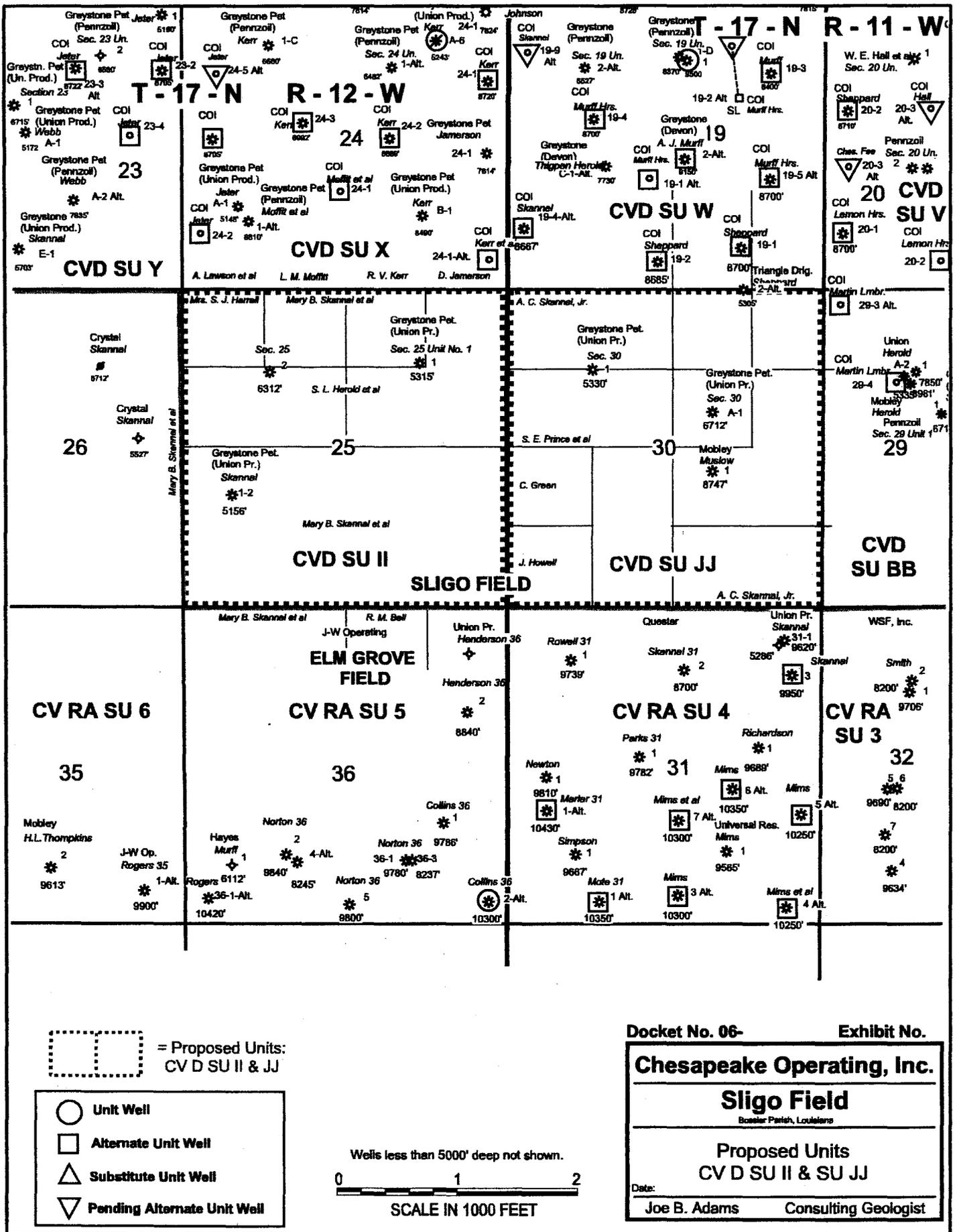
Docket No. 06- Exhibit No.

Chesapeake Operating, Inc.

Sligo Field
Boeater Parish, Louisiana

Proposed Units
CV C RA SU H & G

Joe B. Adams Consulting Geologist



= Proposed Units:
 CVD SU II & JJ

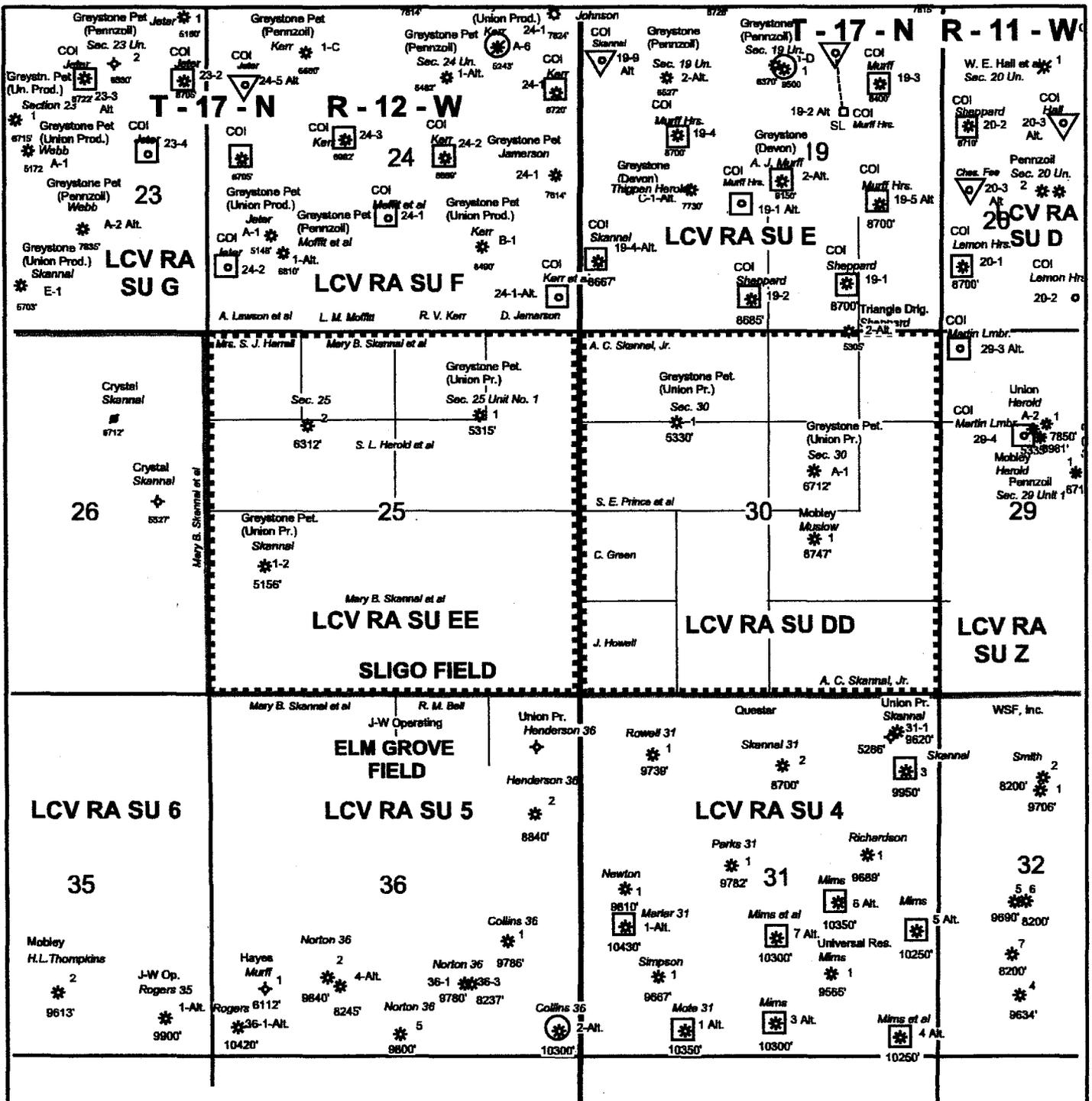
- Unit Well
- Alternate Unit Well
- Substitute Unit Well
- Pending Alternate Unit Well

Wells less than 5000' deep not shown.

0 1 2
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 SCALE IN 1000 FEET

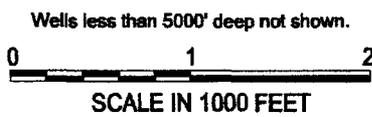
Docket No. 06- Exhibit No.

Chesapeake Operating, Inc.
Sligo Field
Beauregard Parish, Louisiana
 Proposed Units
 CVD SU II & SU JJ
 Date: Joe B. Adams Consulting Geologist



= Proposed Units:
 LCV RA SU EE & DD

- Unit Well
- Alternate Unit Well
- Substitute Unit Well
- Pending Alternate Unit Well



Docket No. 06- Exhibit No.

Chesapeake Operating, Inc.

Sligo Field
Bozarth Parish, Louisiana

Proposed Units
 LCV RA SU EE & DD

Joe B. Adams Consulting Geologist