HARGROVE, SMELLEY, STRICKLAND & LANGLEY
(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY

OF COUNSEL
WILLIAM G. CONLY

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

August 15, 2007

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 designate and utilize an additional alternate unit well for HOSS TP SUR, CV C RA SUF, CV D SUAA and LCV RA SUB, at the location shown on attached plats, in exception 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), and in lieu of the location approved for this well and for these intervals by Office of Conservation Order Nos. 8-B-334, 8-C-21, 8-B-337 and 8-K-132, all of which were effective September 12, 2006.

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

3. 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, 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.

Any pertinent data concerning this application will be available for inspection at the offices of Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person desiring to inspect any such data should call Mr. Adams at (225) 686-2355 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.

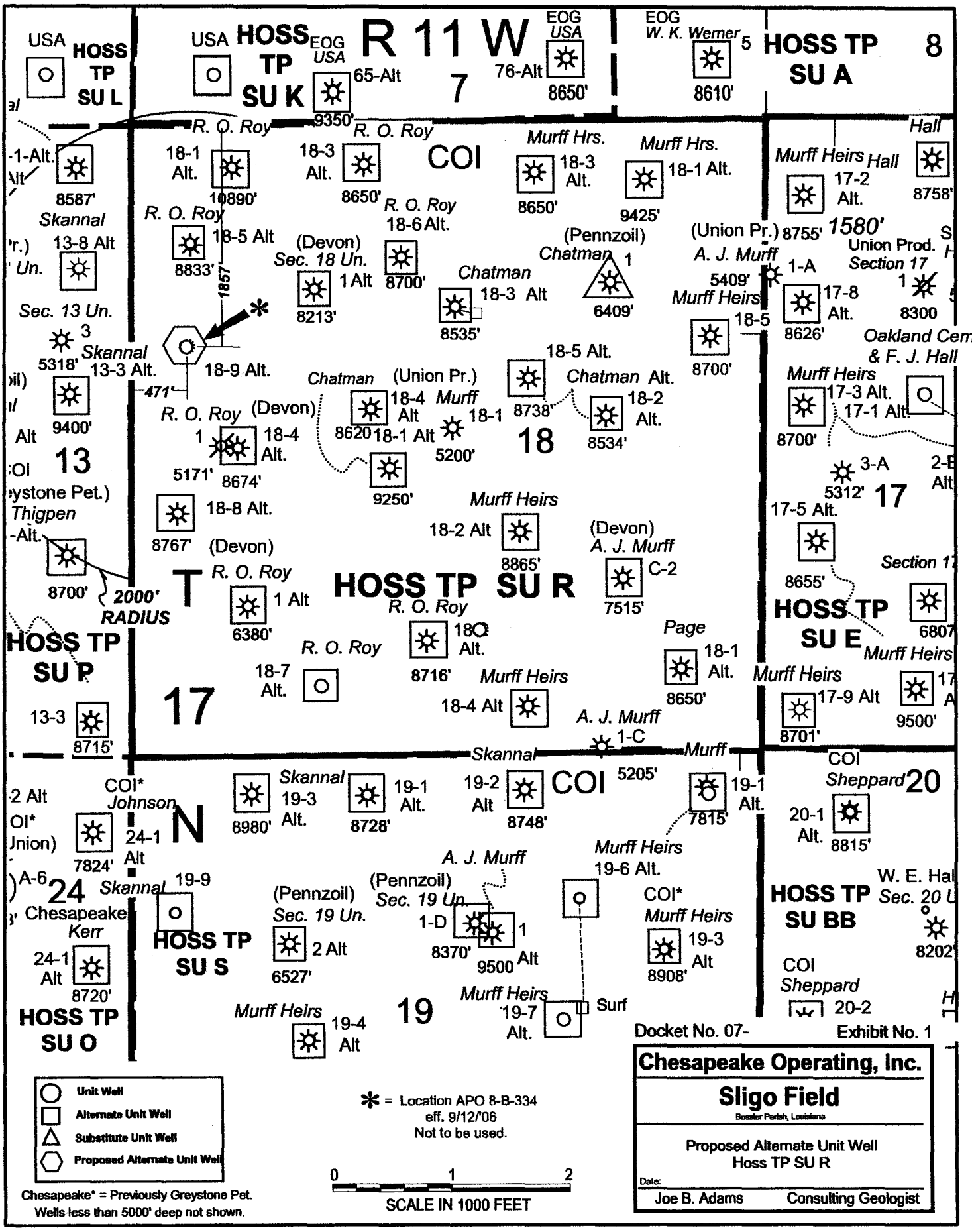
Yours very truly,

David L. Smelley

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

DLS:dp
Enclosures
cc: Mr. Jim Broussard (w/encls.)
Mr. Les Rodman (w/encls.)
Ms. Judy Arias (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

dls/app/sligo55.application.wpd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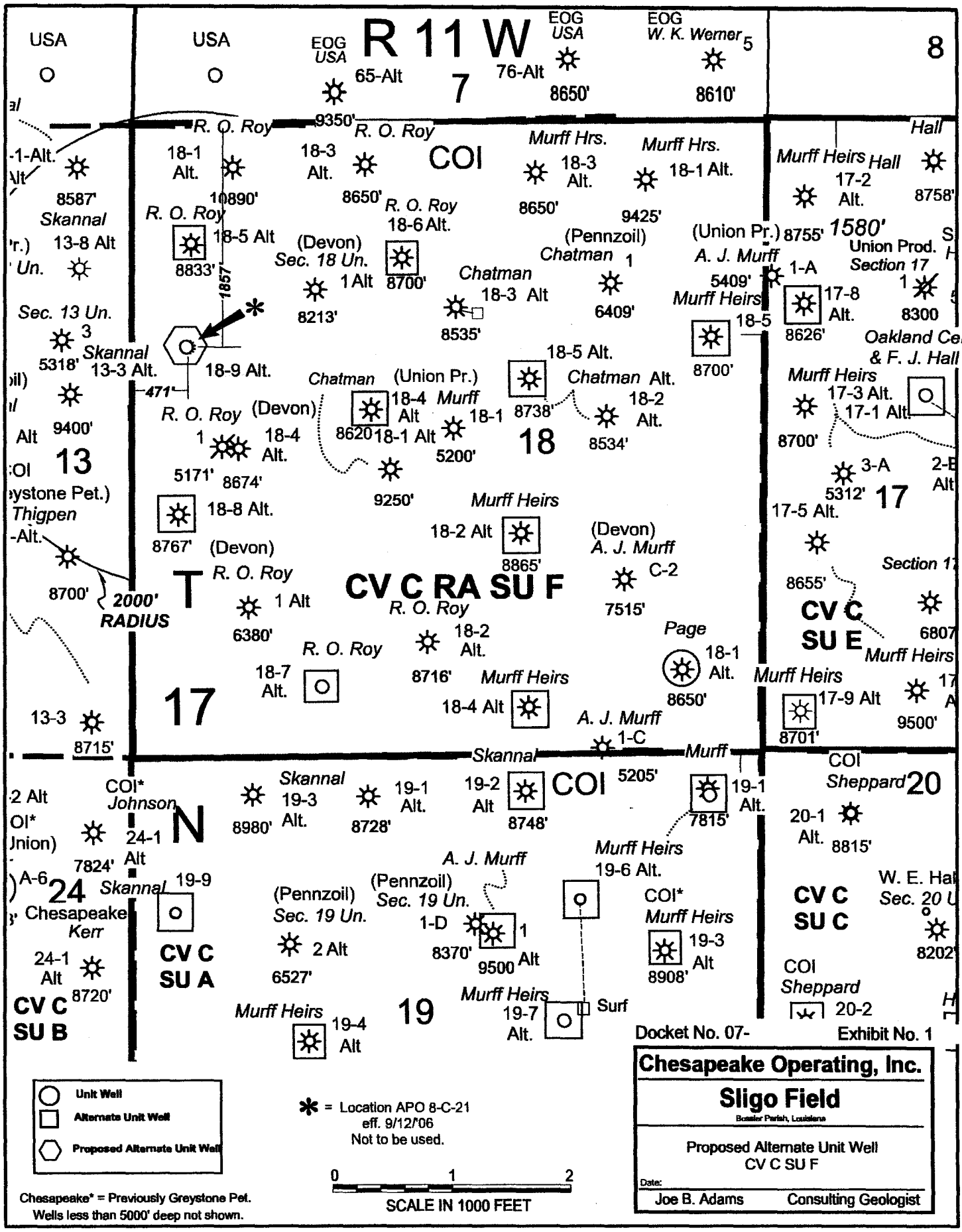
2000' RADIUS
1857'
471'
1580'
Unit Well
Alternate Unit Well
Substitute Unit Well
Proposed Alternate Unit Well
Chesapeake* = Previously Greystone Pet.
Wells less than 5000' deep not shown.
* = Location APO 8-B-334
eff. 9/12/'06
Not to be used.
0 1 2
SCALE IN 1000 FEET
Docket No. 07-
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
Proposed Alternate Unit Well
Hoss TP SU R
Date:
Joe B. Adams
Consulting Geologist




Docket No. 07- Exhibit No. 1

**Chesapeake Operating, Inc.**

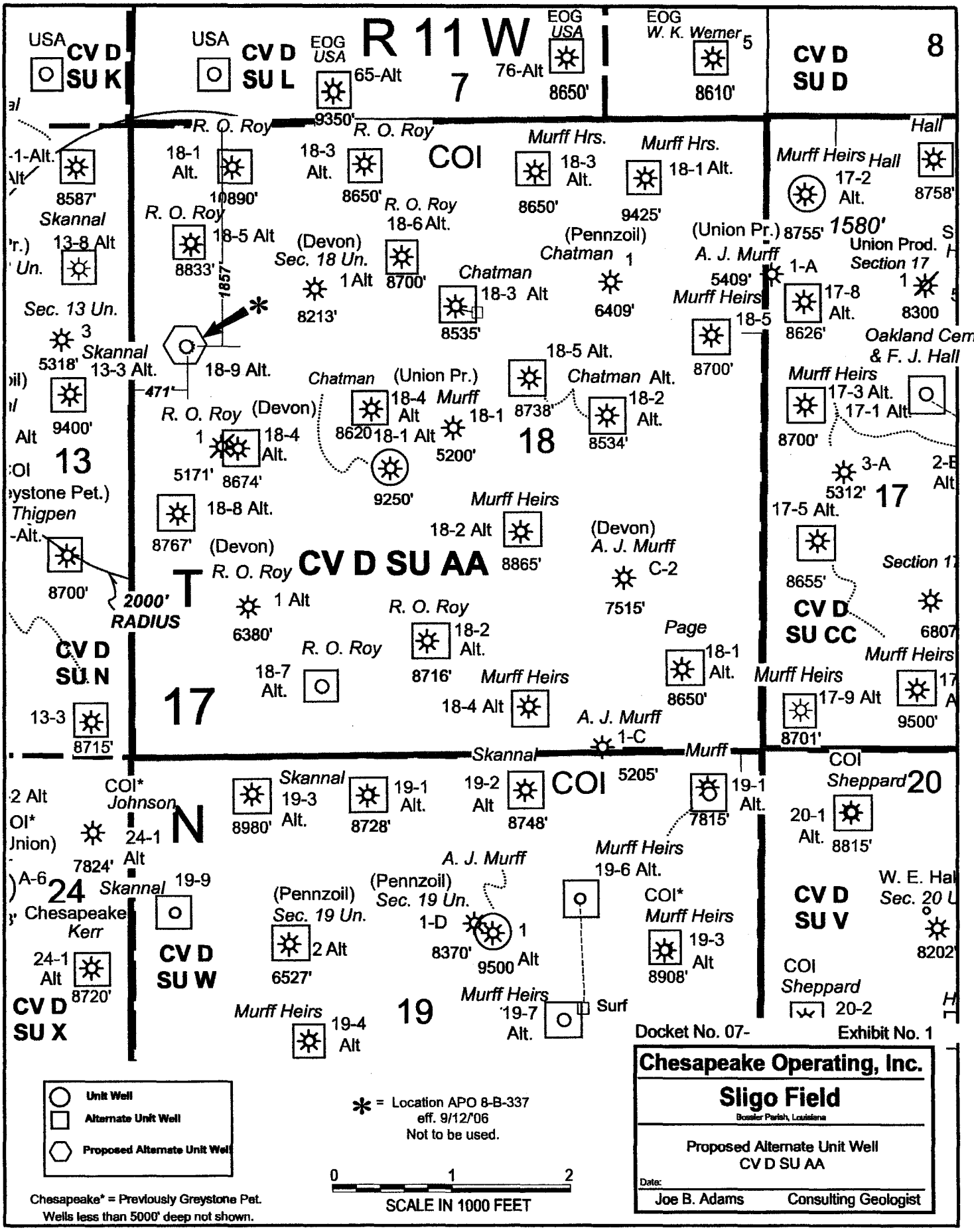
**Sligo Field**

Bossier Parish, Louisiana

Proposed Alternate Unit Well
CV C SU F

Date:

Joe B. Adams Consulting Geologist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CV D SU N
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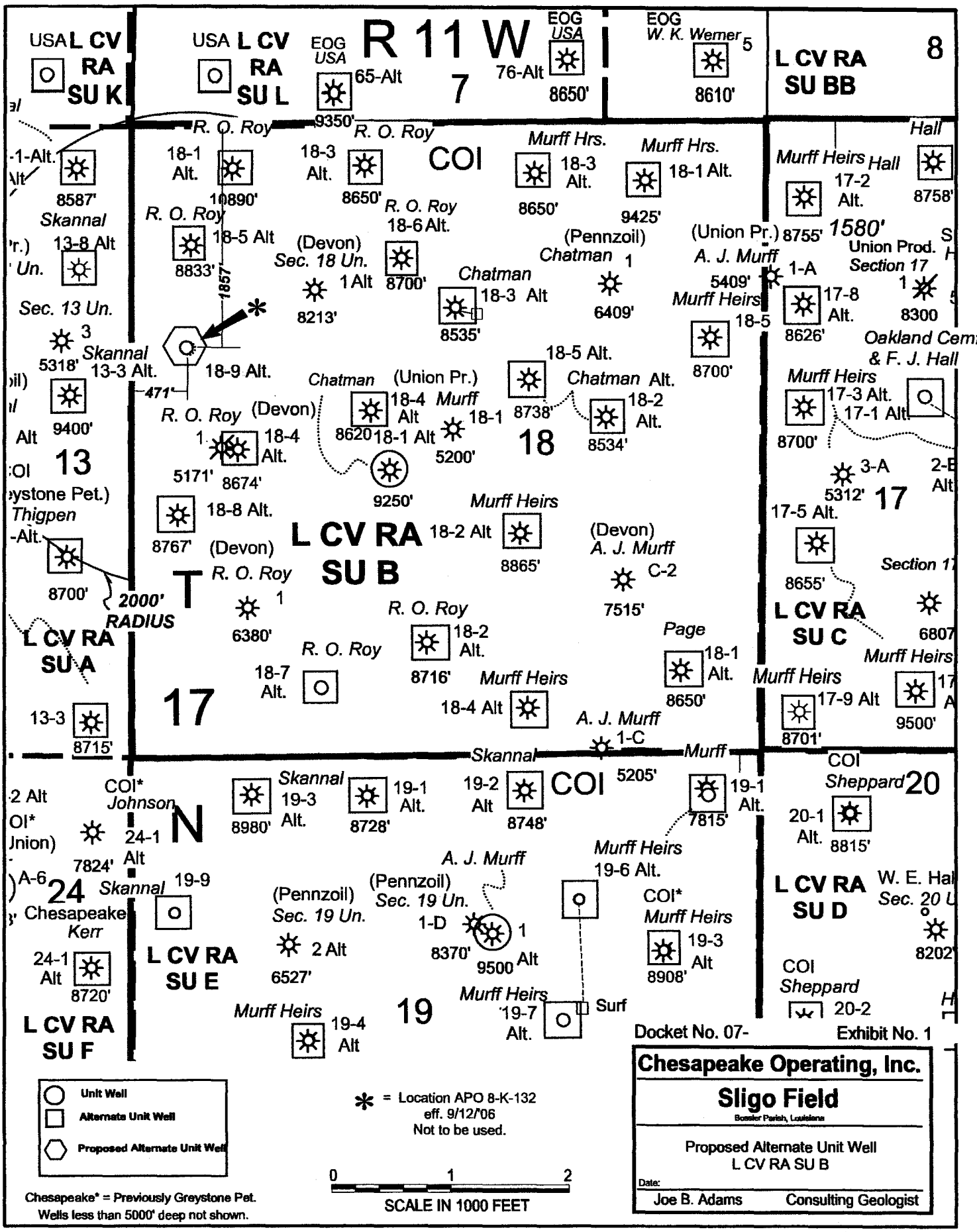
COI
2000' RADIUS
Unit Well
Alternate Unit Well
Proposed Alternate Unit Well
* = Location APO 8-B-337
eff. 9/12/'06
Not to be used.
SCALE IN 1000 FEET
Chesapeake* = Previously Greystone Pet.
Wells less than 5000' deep not shown.
Docket No. 07-
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
Proposed Alternate Unit Well
CV D SU AA
Date:
Joe B. Adams
Consulting Geologist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L CV RA SU C
L CV RA SU D
L CV RA SU E
L CV RA SU F
COI
Skannal
Murff
Murff Heirs
Chatman
Page
Johnson
Sheppard
Chesapeake
Kerr
Thigpen
Oakland Cemt. & F. J. Hall
Union Prod. Section 17
Sec. 13 Un.
Sec. 18 Un.
Sec. 19 Un.
Sec. 20 U
2000' RADIUS
1580'
1857'
471'
Unit Well
Alternate Unit Well
Proposed Alternate Unit Well
* = Location APO 8-K-132 eff. 9/12/'06 Not to be used.
0 1 2
SCALE IN 1000 FEET
Chesapeake* = Previously Greystone Pet.
Wells less than 5000' deep not shown.
Docket No. 07-
Exhibit No. 1
Chesapeake Operating, Inc.
Sligo Field
Bossier Parish, Louisiana
Proposed Alternate Unit Well
L CV RA SU B
Date:
Joe B. Adams
Consulting Geologist