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September 29, 2008

APPLICATION

709768543

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-4275

RE: Haynesville Zone, Reservoir A
Greenwood-Waskom Field
Caddo Parish, Louisiana

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 related to the **Haynesville Zone, Reservoir A**, in the **Greenwood-Waskom Field**, Caddo Parish, Louisiana, for which rules and regulations were established and a pattern of drilling and production units was created by Office of Conservation Order No. 270-MM, effective June 19, 2007, as amended and supplemented by the 270-MM Series of Orders, to-wit:

1. To create one additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such unit to be designated HA RA SU I;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate a unit well for the proposed unit, if appropriate;

4. To designate Chesapeake Operating, Inc. as the operator of the proposed unit, if appropriate;
5. To provide that any future horizontal wells drilled to the Haynesville Zone, Reservoir A, in the proposed unit, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary or other well completed in, drilling to, or for which a permit has granted to drill, to said reservoir, will be calculated based on the distance to the nearest perforations in the well, and not based on the penetration point or terminus;
6. To provide that any future well drilled to the Haynesville Zone, Reservoir A, within or outside of the proposed unit, should be located no closer than 330 feet from any unit boundary and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to said reservoir;
7. To extend to the proposed unit, to the extent not inconsistent herewith, all pertinent provisions of Office of Conservation Order No. 270-MM, effective June 19, 2007, as amended and supplemented by the 270-MM Series of Orders; and
8. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, in the Greenwood-Waskom Field, was previously defined in Office of Conservation Order No. 270-MM, effective June 19, 2007, and is hereby redefined INsofar AND ONLY INsofar as to the unit designated HA RA SU I created herein, as being that gas and condensate bearing zone encountered between the depths of 9,828 feet and 11,145 feet, electric log measurements, in the Encore Operating Louisiana, LLC (formerly Greystone Oil & Gas, LLP) – Querbes No. 2 Well (SN236852), located in Section 29, Township 16 North, Range 16 West, Caddo Parish Louisiana.

The pre-application conference tentatively scheduled for October 8th, 2008, **WILL NOT BE HELD**, as it was not 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 Comeaux & Associates, 305 La Rue France, Lafayette, LA 70508 (337) 233-9839.

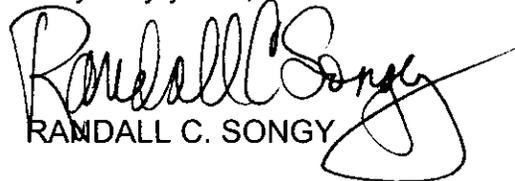
September 29, 2008

Page 3

There is attached hereto and made a part hereof plats outlining the proposed units 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 Shreveport 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 \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/smp/bad

Enclosures

cc: Interested Owners, Represented Parties,
and Interested Parties

Mr. Jim Broussard, District Manager
Office of Conservation

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 units, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

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.



GREENWOOD-WASKOM FIELD
CADDO PARISH, LOUISIANA

Proposed Unit
Haynesville Zone
Witness: David Comeaux

DATE: 2000'
LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839

R16W

Texas State Line
Louisiana State Line

HA RA SU I
± 920 Acres

HA RA SU BB

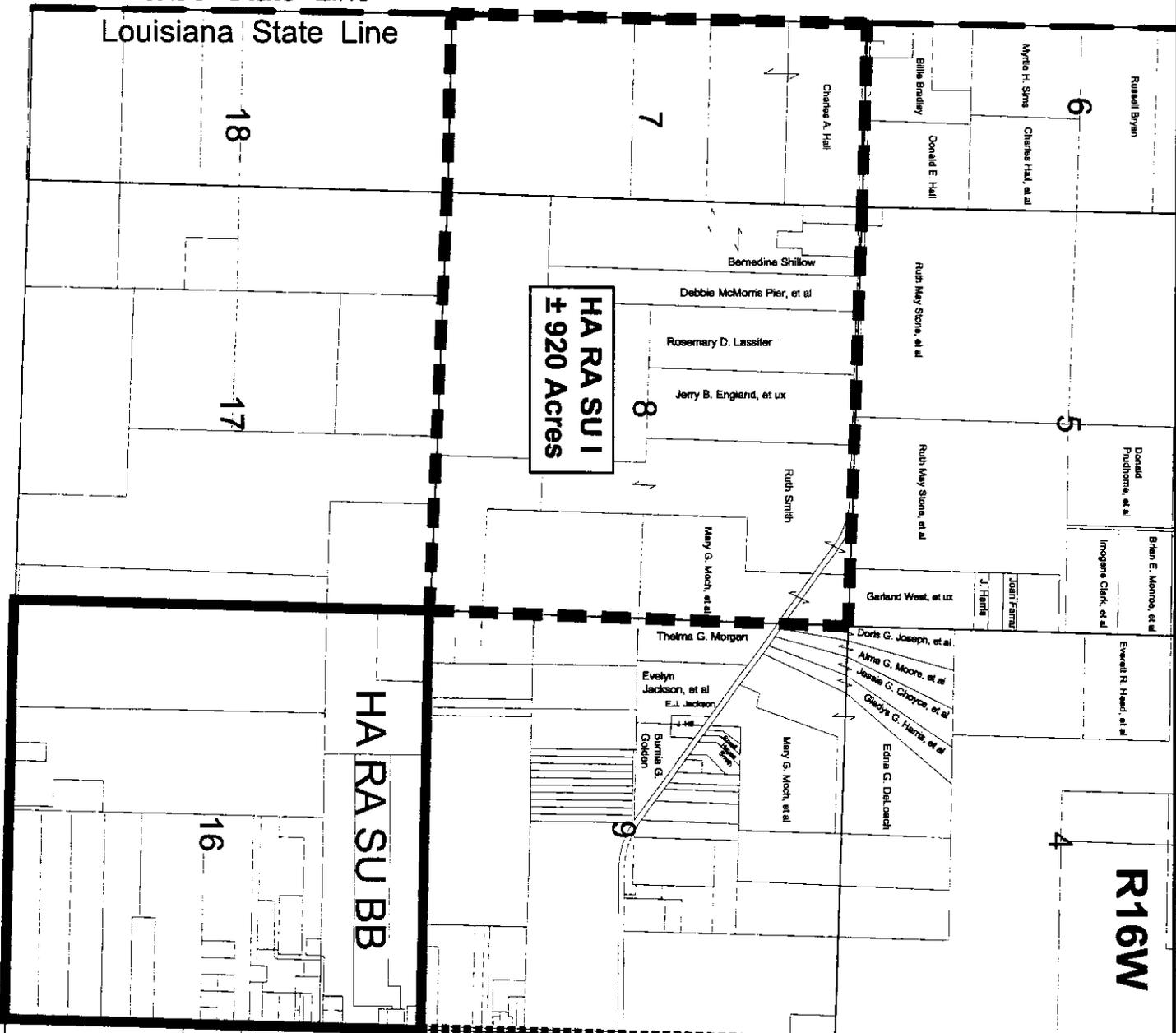
HA RA SU O
994-D-1

10

Fossil
Hudson 10
11650'

15

T
15
N



- Proposed Greenwood-Wascom Haynesville Unit
- Existing Johnsons Branch Haynesville Units
- Pending Beltrany Longstreet Haynesville Unit

Note: All unit boundaries are geographic