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OF COUNSEL
WILLIAM G. CONLY

November 28, 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

Hosston Formation, Reservoir A; Upper Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Formation, Reservoir A; VERNON FIELD, Jackson 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 Formation, Reservoir A; to the Upper Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Formation, Reservoir A, in the Vernon Field, Jackson Parish, Louisiana:

1. To redefine the Lower Cotton Valley Formation, Reservoir A, INsofar AND ONLY INsofar as to the existing units designated LCV RA SU177 and LCVRA SU178, said units being shown on the attached plat, as being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the measured depths of 10,705 feet and 16,095 feet (10,631 feet and 16,007 feet TVD), in the J-W Operating Company--Ray H Marr et al 24 No. 1 Well, located in Section 24, Township 16 North, Range 5 West, Bienville Parish, Louisiana.

2. To confirm the units designated LCV RA SU177 and LCV RA SU178 as remaining in full force and effect as drilling and production units for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A, in the Vernon Field, as redefined in the manner set forth above.

3. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, the Upper Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Formation, Reservoir A, or any combination thereof, in any well drilled on HOSS RA SU177, UCV RA SU177 and LCV RA SU177 or on HOSS RA SU178, UCV RA SU178 and LCV RA SU178, in which well the ownership interests in the units from which production is to be downhole combined are identical.

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

The Hosston Formation, Reservoir A, in the Vernon Field was defined in Office of Conservation Order No. 798-A, effective February 28, 1980, and was further defined in Office of Conservation Order No. 798-A-1, effective August 18, 1982.

The Upper Cotton Valley Formation, Reservoir A, in the Vernon Field was defined in Office of Conservation Order No. 798-C-2, effective December 22, 1982, and was redefined in Office of Conservation Order No. 798-C-10, effective January 22, 2002.

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The Lower Cotton Valley Formation, Reservoir A, in the Vernon Field was defined in Office of Conservation Order No. 798-B-2, effective December 9, 1982, and was redefined in Office of Conservation Order No. 798-B-23, effective January 22, 2002.

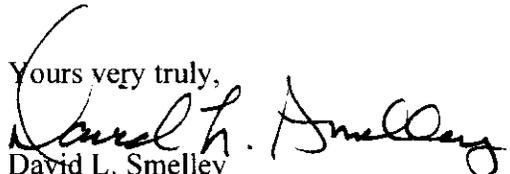
Any pertinent data concerning this application will be available for inspection at the offices of Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date 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.

By letter dated November 15, 2007, 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 December 7, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

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 the plat showing the Lower Cotton Valley units affected by these proposals (which is identical to the plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

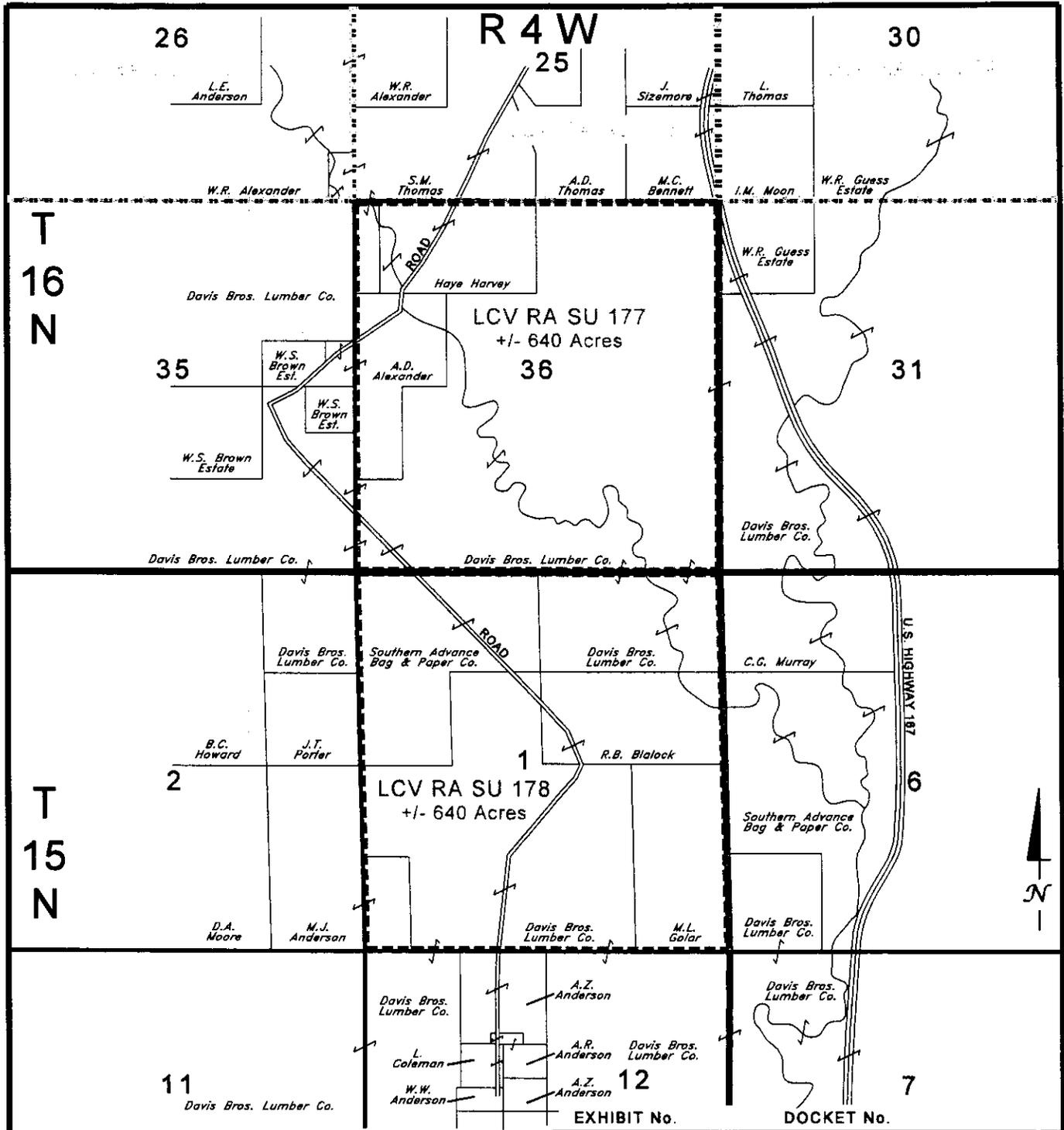
Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Vernon Field, all in accordance with the Revised Rules of 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/encls.)
Ms. Denise Cramer (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)



----- - EXISTING LCV UNITS

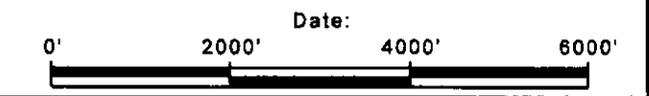
NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.

EXHIBIT No. DOCKET No.

CHESAPEAKE OPERATING, INC.

**VERNON FIELD
JACKSON PARISH, LOUISIANA**

**Proposed Re-Definition
Lower Cotton Valley, Reservoir A**



Geology: JOE B. ADAMS