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June 15, 2009

APPLICATION

7097-69660

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

Re: Designation of Unit Well
Haynesville Zone, Reservoir A
North Grand Cane Field
DeSoto Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.** for the calling of a public hearing, after ten (10) 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 **North Grand Cane Field**, DeSoto Parish, Louisiana, for which rules and regulations were established and a pattern of drilling and production units was created by Office of Conservation No. 855-E, effective July 29, 2008, as amended and supplemented by the 855-E Series of Orders, including the unit designated HA RA SUG, created by Order No. 855-E-3, effective January 27, 2009, to-wit:

1. To designate the Chesapeake Operating, Inc., - Gibbs 2H No. 1 Well, located as shown on the attached plat, as the unit well for HA RA SUG, in exception to the spacing provisions of Office of Conservation Order No. 855-E, effective July 29, 2008, subject to the requirement that the end of the horizontal portion of the well be cemented and/or plugged off, such that the open hole portion of the

wellbore is no closer than 330 feet to the Northern unit boundary, and no closer than 660 feet to any offset well(s);

2. To confirm Chesapeake Operating, Inc. as the operator of HA RA SUG;

3. To authorize Chesapeake Operating, Inc. to perform the operations required in numbered paragraph 1 hereof;

4. To find that the designation of the proposed unit well, subject to the requirement described in numbered paragraph 1 hereof, is in the interest of conservation and necessary to prevent waste and avoid the drilling of unnecessary wells;

5. Except to the extent contrary herewith, to continue in full force and effect HA RA SUG, created by Office of Conservation Order No. 855-E-3, effective January 27, 2009, and all pertinent provisions of Office of Conservation Order No. 855-E, effective July 29, 2008, as amended and supplemented by the 855-E Series of Orders; and

6. To consider such other matters as may be pertinent to this application as shown by the evidence presented at the public hearing.

The Haynesville Zone, Reservoir A, in the North Grand Cane Field, DeSoto Parish, Louisiana, was previously defined in Office of Conservation Order No. 855-E, effective July 29, 2008.

Pertinent data relating to this Application can be obtained AT THE COST OF THE REQUESTING PARTY by contacting Bill McAllister, Leon E Comeaux, & Associates, 305 LaRue France, Lafayette, Louisiana, 70508 (337) 233-9839.

There is attached hereto and made a part hereof a unit well plat, which reflects the location of the proposed unit well and outlines HA RA SUG. There is also attached hereto a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this proposal is being sent. Pursuant to the Revised Rules of Procedure, such a 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 addressed of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check in the sum of $755.00 payable to the Office of Conservation, representing the required hearing application fee.

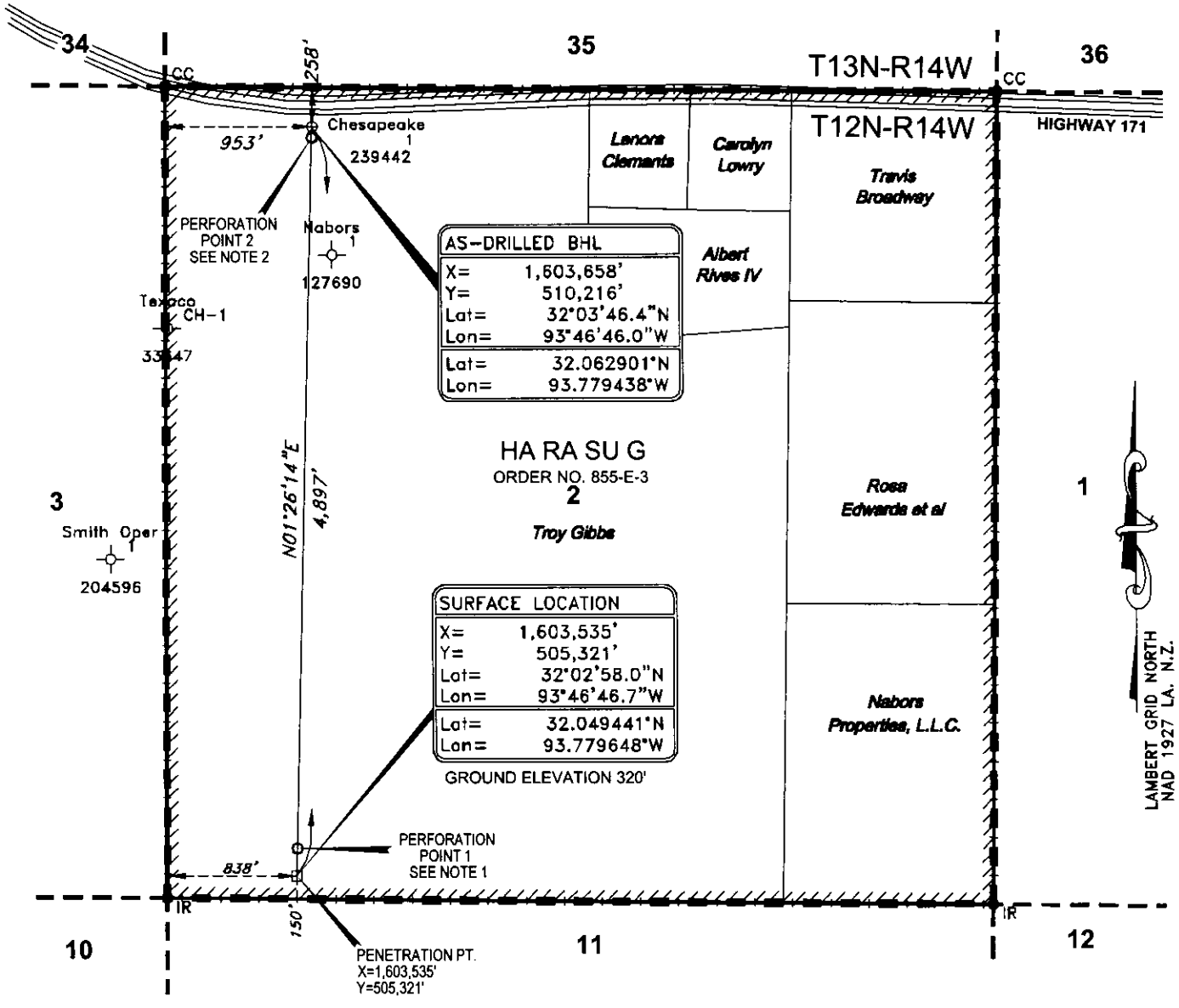
Yours very truly,

RANDALL C. SONGY
JEREMY B. SHEALY

RSC/JBS/smp/bad
Enclosures

cc: Jim Broussard, District Manager
Office of Conservation - Shreveport

All Interested Owners, Interested Parties and
Represented Parties



No residential or commercial structures, not owned by applicant, his lessor, or other predecessor in interest, were situated within a 500' radius of this location on December 15, 2008.

I, Rex R. Jones, hereby certify that the surface location of Chesapeake Operating, Inc.'s GIBBS 2 H No. 1 was staked as follows:
SURFACE LOCATION being 150' from the South line and 838' from the West line of Section 2, T12N-R14W, Desoto Parish, Louisiana.
AS-DRILLED BOTTOM HOLE LOCATION being 258' from the North line and 953' from the West line of Section 2, T12N-R14W, Desoto Parish, Louisiana.

AS-DRILLED POSITIONS BASED UPON DIRECTIONAL SURVEY BY PATHFINDER ENERGY SERVICES, INC. DATED APRIL 24, 2009 AS APPLIED TO THE AS-STAKED PROPOSED SURFACE LOCATION POSITION.

NOTE 1: PERFORATION POINT TO BE NO CLOSER THAN 330' FROM THE SOUTH LINE OF SECTION 2.

NOTE 2: PERFORATION POINT TO BE NO CLOSER THAN 330' FROM THE NORTH LINE OF SECTION 2.

SERIAL NO. 239442

CHESAPEAKE OPERATING, INC.

GIBBS 2 H NO. 1

SECTION 2, T12N-R14W

NORTH GRAND CANE FIELD

DESOTO PARISH, LOUISIANA

REX R. JONES
PROFESSIONAL LAND SURVEYOR
LOUISIANA REGISTRATION NO. 4873

C&C Technologies
SURVEY SERVICES
730 E. KALISTE SALOOM ROAD, LAFAYETTE, LA. (337) 261-0660

DWG. BY: RAM CHK. BY: RRJ
FILENAME: L:\12N14W\08-4354\D08-4354.DWG

0' SCALE IN FEET 1000'

DATE: 01/29/2009
REV: 6/15/2009