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June 24, 2009

APPLICATION

7097-69418

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
Bethany-Longstreet Field
Caddo Parish, Louisiana

Dear Commissioner Welsh:

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 **Bethany-Longstreet Field**, Caddo and DeSoto Parishes, Louisiana, for which rules and regulations were established and a pattern of drilling and production units was created by Office of Conservation Order No. 289-R, effective April 1, 2008, as amended and supplemented by certain Orders of the 289-R Series of Orders, to-wit:

1. To create one (1) 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 SU69;

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 Chesapeake Operating, Inc. as the operator of, and its Wright, et al 17H No. 1 Well as the unit well for the proposed unit;

4. To provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve the proposed unit, production casing should be run and cemented across the pool in which the well is to be perforated for production, and 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 and any offset wells(s) should be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;

5. To extend to the proposed unit, to the extent not inconsistent herewith, all pertinent provisions of Office of Conservation Order No. 298-R, effective April 1, 2008, as amended and supplemented by certain Orders of the 289-R Series of Orders, and all applicable Statewide Orders; and

6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Bethany-Longstreet Field, Caddo and DeSoto Parishes, Louisiana, was previously defined in Office of Conservation Order No. 289-R, effective April 1, 2008, and was redefined in Office of Conservation Order No. 289-R-3, effective June 25, 2008.

A conference to discuss the proposed application and any opposition thereto was held at 1:30 p.m. on Monday, June 15, 2009, at The Petroleum Club, 416 Travis Street, Shreveport, Louisiana. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion on unitization. David Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. No counterplans were presented at the conference; however, several parties expressly reserved their right to do so. Mr. Songy then concluded the conference with a discussion of the Rules of Procedures. The conference was then adjourned.

EXCO Production Company, LP ("EXCO") indicated in a separate conference after the pre-application conference that it intended to file a counterplan consisting of a larger unit to include Section 18. Chesapeake has decided to amend its unit request to conform to EXCO's proposal, as show on the attached revised plat. EXCO may have differences with this Application as to the designation of the unit well and unit operator, but the Applicant and EXCO are in discussions to attempt to resolve that difference.

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.

There are attached hereto and made a part hereof a plat outlining the proposed unit 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
JEREMY B. SHEALY

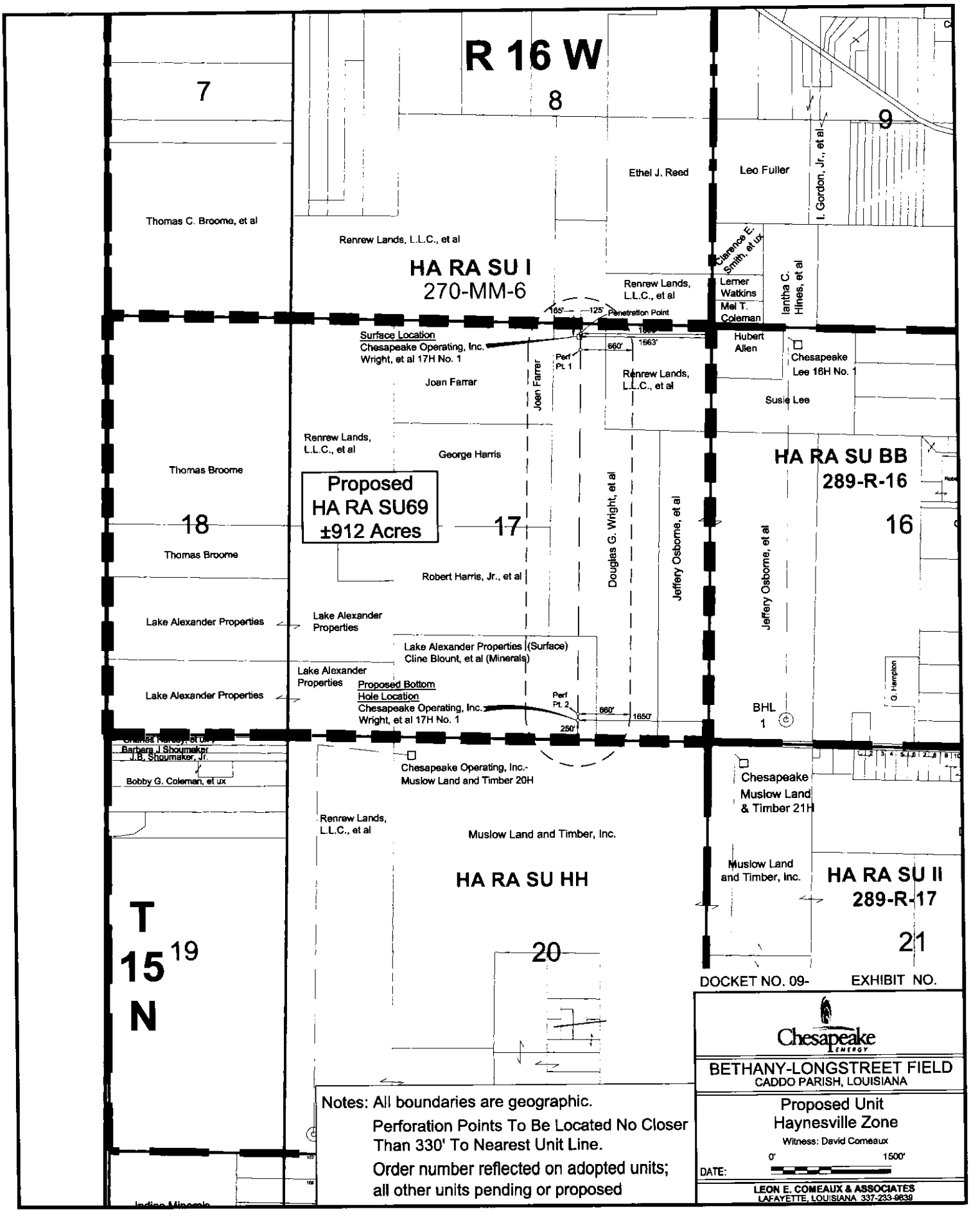
RCS/JBS/smp/dmw
Enclosures
cc: Interested Owners, Represented Parties, and Interested Parties

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

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.



DOCKET NO. 09- EXHIBIT NO.

Chesapeake ENERGY

BETHANY-LONGSTREET FIELD
CADDO PARISH, LOUISIANA

Proposed Unit
Haynesville Zone

Witness: David Comeaux

0' 1500'

DATE:

LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9639

Notes: All boundaries are geographic.
Perforation Points To Be Located No Closer Than 330' To Nearest Unit Line.
Order number reflected on adopted units; all other units pending or proposed