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BLANCHARD, WALKER, O'QUIN & ROBERTS
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December 3, 2008

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
Haynesville Zone, Reservoir A
Elm Grove and Swan Lake Fields
Bossier Parish, Louisiana
Our File No. 230765.0159

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Zone, Reservoir A, in the Elm Grove and Swan Lake Fields, Bossier Parish, Louisiana:

Elm Grove Field

1. To create five (5) additional drilling and production units (to be designated as HA RA SUKK thru HA RA SUOO) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed units, with allocation of production to the tracts within each such unit to be on the basis of surface acreage.
3. To designate Chesapeake Operating, Inc. as the unit operator and to designate unit wells for said units, if appropriate.
4. With respect to future horizontal wells drilled to the Haynesville Zone, Reservoir A, in the Elm Grove Field, 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 between wells will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;

5. Except to the extent contrary herewith, to extend the provisions of Office of Conservation Order No. 361-L, effective July 29, 2008, as amended and supplemented by the 361-L Series of Orders, to the proposed units.
6. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana was defined in Office of Conservation Order No. 361-L, effective July 29, 2008.

Swan Lake Field

1. To create eight (8) additional drilling and production units (to be designated as HA RA SUD thru HA RA SUK) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Swan Lake Field, Bossier Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed units, with allocation of production to the tracts within each such unit to be on the basis of surface acreage.
3. To designate Chesapeake Operating, Inc. as the operator and to designate a unit well for said unit, if appropriate.
4. With respect to future horizontal wells drilled to the Haynesville Zone, Reservoir A, in the Swan Lake Field, 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 between wells will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;
5. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Swan Lake Field, Bossier Parish, Louisiana is defined as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,240 feet and 12,680 feet (electric log measurements) in the EnCana Oil & Gas (USA), Inc. - Martin Timber Co. LLC No. 1 Well, located in Section 10, Township 13 North, Range 10 West, Red River Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this application, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

Commissioner of Conservation
December 3, 2008
Page 2

A Pre-Application Conference was held at the Petroleum Club of Shreveport, 15th Floor, Mid-South Towers, 416 Travis Street, Shreveport, Louisiana, on Wednesday, December 3, 2008, at 10:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological and other bases for its proposal, a general discussion ensued prior to adjournment. It is anticipated that the hearing regarding the captioned matter will be uncontested.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list, and to all Pre-Application Conference Attendees.

You may have received this Hearing 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 unit.

Your receipt of this Hearing 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.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII/kmw
Enclosures

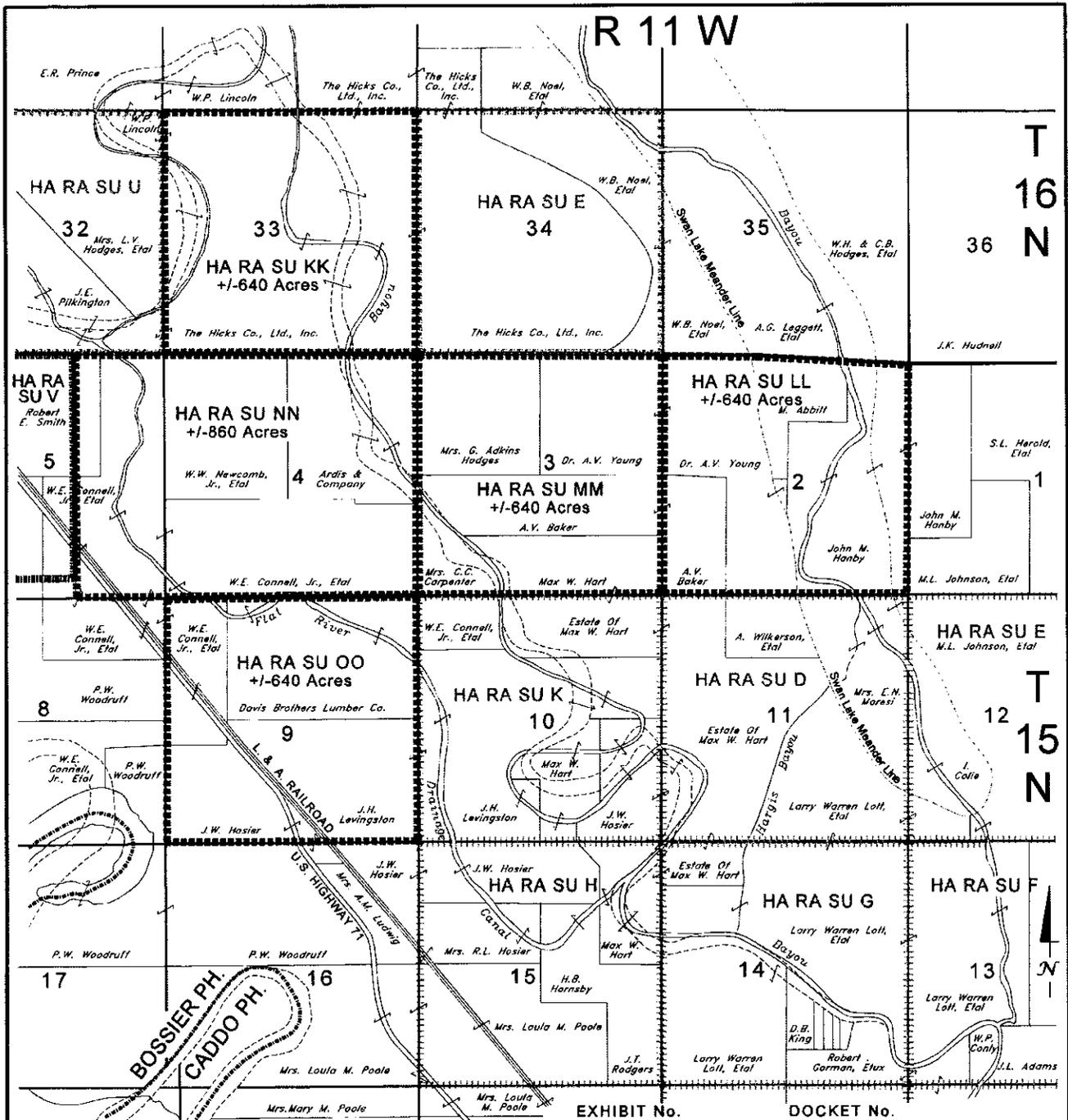
By: _____



Wm. Timothy Allen III

Attorneys for Chesapeake Operating, Inc.

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)
Pre-Application Conference Attendees (w/enclosures)



- - PROPOSED UNITS
- - EXISTING UNITS (ELM GROVE FIELD)
- - PENDING UNIT (ELM GROVE FIELD)
- - PENDING UNITS (SWAN LAKE FIELD)

NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.
 NOTE: ONLY WELLS DRILLED BELOW 10,000' ARE SHOWN.


 Geo-Draft, Inc.
 (504) 836-2882

EXHIBIT No. _____ DOCKET No. _____

CHESAPEAKE OPERATING, INC.

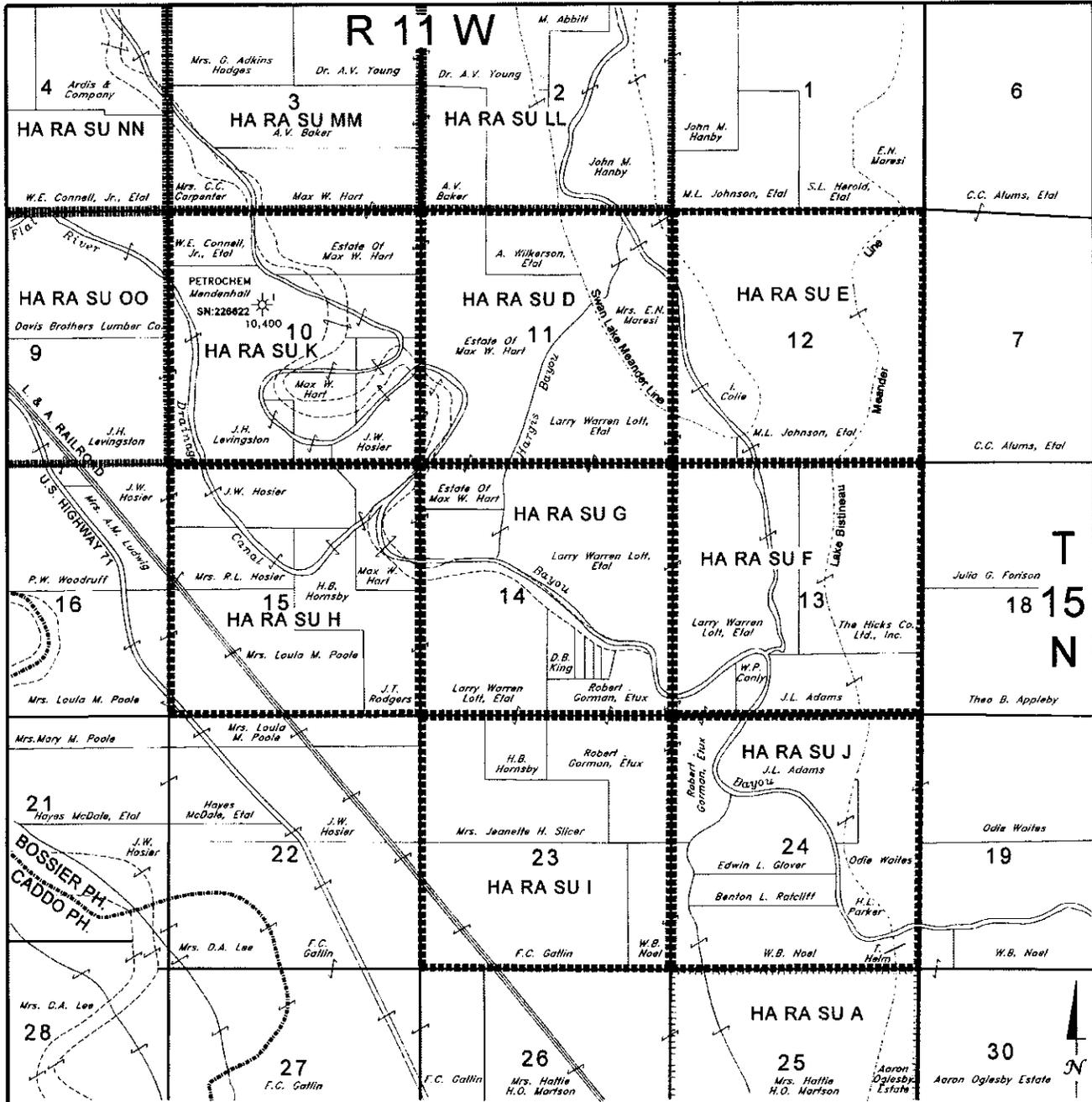
ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

Proposed Units
Haynesville Zone, Reservoir A

Date: _____

0' 3000' 6000' 9000'

Geology: JOE B. ADAMS



- - PROPOSED UNITS
- - PENDING UNIT (SWAN LAKE FIELD)
- - PENDING UNITS (ELM GROVE FIELD)

NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.

NOTE: ONLY WELLS DRILLED BELOW 10,000' ARE SHOWN.


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EXHIBIT No. DOCKET No.

CHESAPEAKE OPERATING, INC.

**SWAN LAKE FIELD
 BOSSIER PARISH, LOUISIANA**

**Proposed Units
 Haynesville Zone, Reservoir A**

Date:



Geology: JOE B. ADAMS