JOSEPH ONEBANE (1917-1987)
JOHN G. TORIAN, II (1936-1991)

TIMOTHY J. MCNAMARA
EDWARD C. ABELL, JR.
LAWRENCE L. LEWIS, III †
DOUGLAS W. TRUXILLO *
RANDALL C. SONGY
MICHAEL G. DURAND
GREG GUIDRY *
GRAHAM N. SMITH *
GARY P. KRAUS
RICHARD J. PETRE, JR.
THOMAS G. SMART
ROGER E. ISHEE **
STEVEN C. LANZA
GREG R. MIER ††
MARIA FABRE MANUEL
CRAIG A. RYAN
JASMINE B. BERTRAND
JEREMY B. SHEALY
JAMES D. BAYARD
STEVEN T. RAMOS
MATTHEW C. HEBERT
GINGER HARGETT WELBORN
G. W. RUDICK II *

ONEBANE LAW FIRM
A Professional Corporation

1200 CAMELLIA BOULEVARD (70508)
SUITE 300
POST OFFICE BOX 3507
LAFAYETTE, LOUISIANA 70502-3507

TELEPHONE: (337) 237-2660
FAX: (337) 266-1232

WWW.ONEBANE.COM

OF COUNSEL
WILLIAM E. KELLNER
GREGORY K. MOROUX
FREDERICK R. PARKER, JR. ‡
JOHN F. PARKER
KAREN DANIEL ANCELET
JAMES L. ALCOCK, JR.

SHREVEPORT OFFICE
333 TEXAS STREET
SUITE 1180
SHREVEPORT, LA 71101
TELEPHONE: (318) 674-9770
FAX: (318) 674-9775

‡ LL.M. IN HEALTH LAW
† BOARD CERTIFIED TAX ATTORNEY
LL.M. IN TAXATION
†† REGISTERED PATENT ATTORNEY

* ALSO ADMITTED IN TEXAS
** ALSO ADMITTED IN MISSISSIPPI

September 15, 2010

APPLICATION

7097-70578

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

Re: Exceptional Location
Cotton Valley Formation, Reservoir A
Ashland Field
Natchitoches Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.** ("Chesapeake") 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 **Cotton Valley Formation, Reservoir A,** in the **Ashland Field**, Natchitoches Parish, Louisiana, for which rules and regulations were established and a pattern of drilling and production units was created by Office of Conservation No. 1262-D, effective March 21, 2006, as amended and supplemented by the 1262-D Series of Orders, including the unit designated CV RA SUC, to-wit:

1. To permit Chesapeake Operating, Inc. to drill, designate, and utilize its horizontal Hood 17-13-7H No. 1 Well, located as shown on the attached plat, as the unit well for CV RA SUC, in exception to the spacing provisions of Office of Conservation Order No. 1262-D, effective March 21, 2006;

2. To designate Chesapeake Operating, Inc. as the operator of CV RA SUC;

3. To find that the designation of the proposed unit well at the location shown on the attached plat is in the interest of conservation and necessary to prevent waste and avoid the drilling of unnecessary wells;

4. To provide that with respect to the location of the proposed unit well, a tolerance distance should be granted that allows for a possible variance between the proposed location and the "as drilled" location so long as no perforation in the wellbore is less than 330 feet from any unit boundary, nor closer than 660 feet to any other offset well completed in the Cotton Valley Zone or Haynesville Zone, provided that the proposed unit well is the initial well drilled for its unit;

5. Except to the extent contrary herewith, to continue in full force and effect all pertinent provisions of Office of Conservation Order No. 1262-D, effective March 21, 2006, as amended and supplemented by the 1262-D 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 Cotton Valley Formation, Reservoir A, in the Ashland Field, Natchitoches Parish, Louisiana, was previously defined in Office of Conservation Order No. 1262-D, effective March 21, 2006.

Pertinent data relating to this Application can be obtained AT THE COST OF THE REQUESTING PARTY by contacting David Comeaux, 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 CV RA SUC. 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.

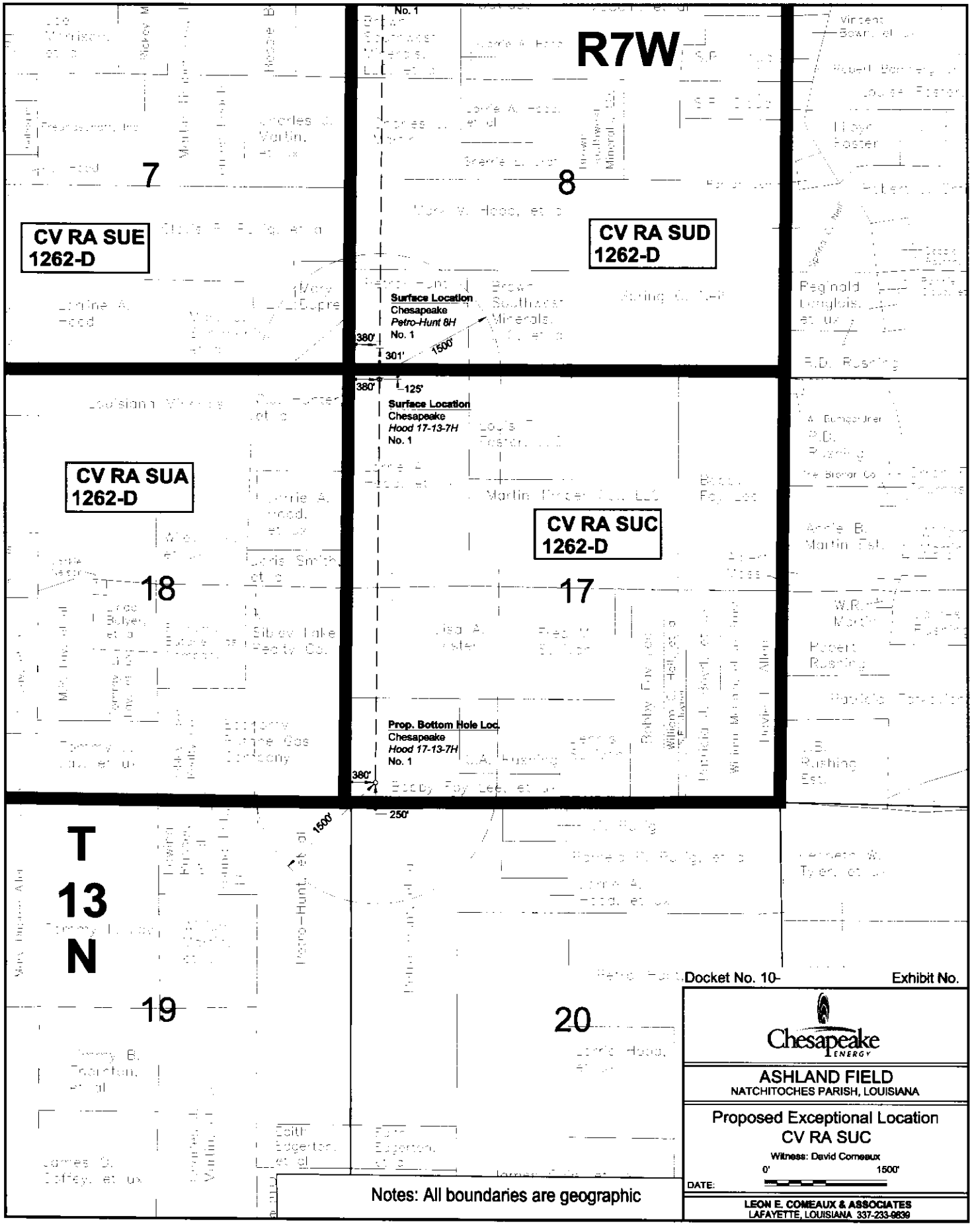
Yours very truly,

RANDALL C. SONGY
JEREMY B. SHEALY

RSC/JBS/smp/fsc
Enclosures

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

All Interested Owners, Interested Parties and
Represented Parties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1262-D
CV RA SUD
1262-D
CV RA SUA
1262-D
CV RA SUC
1262-D
Surface Location
Chesapeake
Petro-Hunt 8H
No. 1
380'
301'
1500'
Surface Location
Chesapeake
Hood 17-13-7H
No. 1
125'
Prop. Bottom Hole Loc.
Chesapeake
Hood 17-13-7H
No. 1
250'
Docket No. 10-
Exhibit No.
Chesapeake
ENERGY
ASHLAND FIELD
NATCHITOCHES PARISH, LOUISIANA
Proposed Exceptional Location
CV RA SUC
Witness: David Comeaux
0'
1500'
DATE:
LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9639
Notes: All boundaries are geographic