

**ASHLAND FIELD**  
**10-1168 thru 10-1170**

**LEGAL NOTICE**

**STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.**

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1<sup>st</sup> Floor, LaSalle Building, 617 North 3<sup>rd</sup> Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, NOVEMBER 9, 2010**, upon the application of **CHESAPEAKE OPERATING, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Cotton Valley Formation, Reservoir A, Haynesville Zone, Reservoir A, and Smackover Formation, Reservoir A** in the Ashland Field, Red River and Natchitoches Parishes, Louisiana.

1. To redefine the Cotton Valley Formation, Reservoir A, in accordance with the definition section hereof.
2. To dissolve the existing CV RA SUA, CV RA SUB, CV RA SUC, CV RA SUD, CV RA SUE, CV RA SUF and CV RA SUG and simultaneously therewith create seven (7) revised drilling and production units for the exploration for and production of gas and condensate from the redefined Cotton Valley Formation, Reservoir A, such units to be designated CV RA SUA, CV RA SUB, CV RA SUC, CV RA SUD, CV RA SUE, CV RA SUF and CV RA SUG.
3. To create seven (7) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such units to be designated HA RA SUB, HA RA SUC, HA RA SUD, HA RA SUE, HA RA SUH, HA RA SUJ and HA RA SUK.
4. To establish rules and regulations and create seven (7) drilling and production units for the exploration for and production of gas and condensate from the Smackover Formation, Reservoir A, such units to be designated SMK RA SUA, SMK RA SUB, SMK RA SUC, SMK RA SUD, SMK RA SUE, SMK RA SUF and SMK RA SUG.
5. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
6. To revise the field spacing rules applicable to the Cotton Valley Formation, Reservoir A, in that any well drilled to the Cotton Valley Formation, Reservoir A, should be located no closer than 330 feet from any unit boundary and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to said reservoir.
7. To provide that any future well drilled to the Smackover Formation, Reservoir A, within or outside of the proposed units, should be located no closer than 330 feet from any unit boundary and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to said reservoir.
8. To provide that with respect to horizontal wells drilled to the Cotton Valley Formation, Reservoir A, Haynesville Zone, Reservoir A and Smackover Formation, Reservoir A, within or to serve the proposed units, where the horizontal portion of the well is cased and cemented back above the top of the reservoir to which it is drilled, the distance to any unit boundary and any offset well(s) should be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.
9. To designate Chesapeake Operating, Inc. as the operator of, and its Hood 17-13-7H No. 1 Well as the unit well for HA RA SUD, at the location shown on the plat submitted with the application.
10. To designate Chesapeake Operating, Inc. as the operator of, and its Petro-Hunt 8H No. 1 Well as the unit well for HA RA SUC, at the location shown on the plat submitted with the application.
11. To provide that with respect to the location of the proposed unit well for HA RA SUD, a tolerance distance should be granted that allows for a possible variance between the proposed location and the "as drilled" location so long as the changed location remains at a legal location, provided that said unit well is the initial well drilled for HA RA SUD.
12. To provide that the Commissioner of Conservation should be authorized to reclassify the Smackover Formation, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

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- 13. To continue in full force and effect, except to the extent contrary herewith, 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 all applicable Statewide Orders.
- 14. To continue in full force and effect, except to the extent contrary herewith, all pertinent provisions of Order No. 1262-E, effective May 4, 2010, as amended and supplemented by the 1262-E Series of Orders, and all applicable Statewide Orders.
- 15. To consider such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A was previously defined in Order No. 1262-D, effective March 21, 2006, and is hereby redefined as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,055' and 12,212' (electrical log measurements) in the Pioneer Production Corp.-Justin L. Teer No. 1 Well, located in Section 19, Township 13 North, Range 8 West.

The Haynesville Zone was previously defined in Order No. 1262-E, effective May 4, 2010.

The Smackover Formation, Reservoir A is hereby defined as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 14,260' and 16,105' (electrical log measurements) in the J-W Operating Company-Davis Brothers 20 No. 1 Well, located in Section 20, Township 16 North, Range 4 West and is hereby further defined as the stratigraphic equivalent of that gas and condensate bearing interval with a top being encountered at a depth of 13,725' (electrical log measurement) and base not reached in the Pioneer Production Corp.-Justin L. Teer No. 1 Well, located in Section 19, Township 13 North, Range 8 West.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

<http://dnr.louisiana.gov/conshearings>

All parties having interest therein shall take notice thereof.

**BY ORDER OF:**

**JAMES H. WELSH**  
**COMMISSIONER OF CONSERVATION**

Baton Rouge, LA

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.**