

BLANCHARD WALKER

A TRADITION OF EXCELLENCE SINCE 1917

BLANCHARD, WALKER, O'QUIN & ROBERTS
A PROFESSIONAL LAW CORPORATION

400 Texas Street, Suite 1400
Shreveport, LA 71101
Firm: 318.221.6858
Fax: 318.227.2967
Web: www.bwor.com

December 22, 2009

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

Mailing Address:
P.O. Drawer 1126
Shreveport, LA 71163-1126

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

RE: HEARING APPLICATION
Haynesville Zone, Reservoir A
Cedar Grove Field
Caddo Parish, Louisiana
Our File No. 230765.219

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 Cedar Grove Field, Caddo Parish, Louisiana:

1. To create two (2) additional drilling and production units (to be designated as HA RA SUH and HA RA SUI) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Cedar Grove Field, Caddo Parish, Louisiana, as shown on the plats attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within each of the proposed units, with allocation of production to the tracts within each of such units 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 units, if appropriate.
4. To redefine the Haynesville Zone, Reservoir A, in the Cedar Grove Field, INSO FAR AND ONLY INSO FAR as the proposed HA RA SUH and HA RA SUI, are concerned, as being the stratigraphic equivalent of that gas and condensate bearing interval between the depths of 9,960 feet and 11,542 feet (electrical log measurements) in the Petrohawk Operating Company - B & K Exploration 37 No. 1 Well (Serial No. 238527) located in Irregular Section 37, Township 17 North, Range 13 West, Caddo Parish, Louisiana.
5. With respect to future horizontal wells drilled to the Haynesville Zone, Reservoir A, in the proposed units, 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 well(s) will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;

6. Except to the extent contrary herewith, to extend the provisions of Office of Conservation Order No. 967-C, effective August 12, 2008, as amended and supplemented by subsequent orders of the 967-C Series of Orders, to the proposed units.
7. 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 Cedar Grove Field, Caddo Parish, Louisiana was defined in Office of Conservation Order No. 967-C, effective August 12, 2008, but shall be redefined as set forth above.

Pertinent data regarding this application will be available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Suite 1400, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Wm. Timothy Allen III at (318) 221-6858, during normal business hours, or write Mr. Allen at the above address in order to arrange a time and date for such inspection. Copies of 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 Revised Rules of Procedure) is attached hereto, and a copy of this notice, 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. 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 Pre-Application Conference was held at the offices of The Petroleum Club of Shreveport, 15th Floor, Mid-South Towers, 416 Travis Street, Shreveport, Louisiana, on Tuesday, December 22, 2009 at 9:30 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 \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

Commissioner of Conservation
December 22, 2009
Page 3

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, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

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 units.

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.

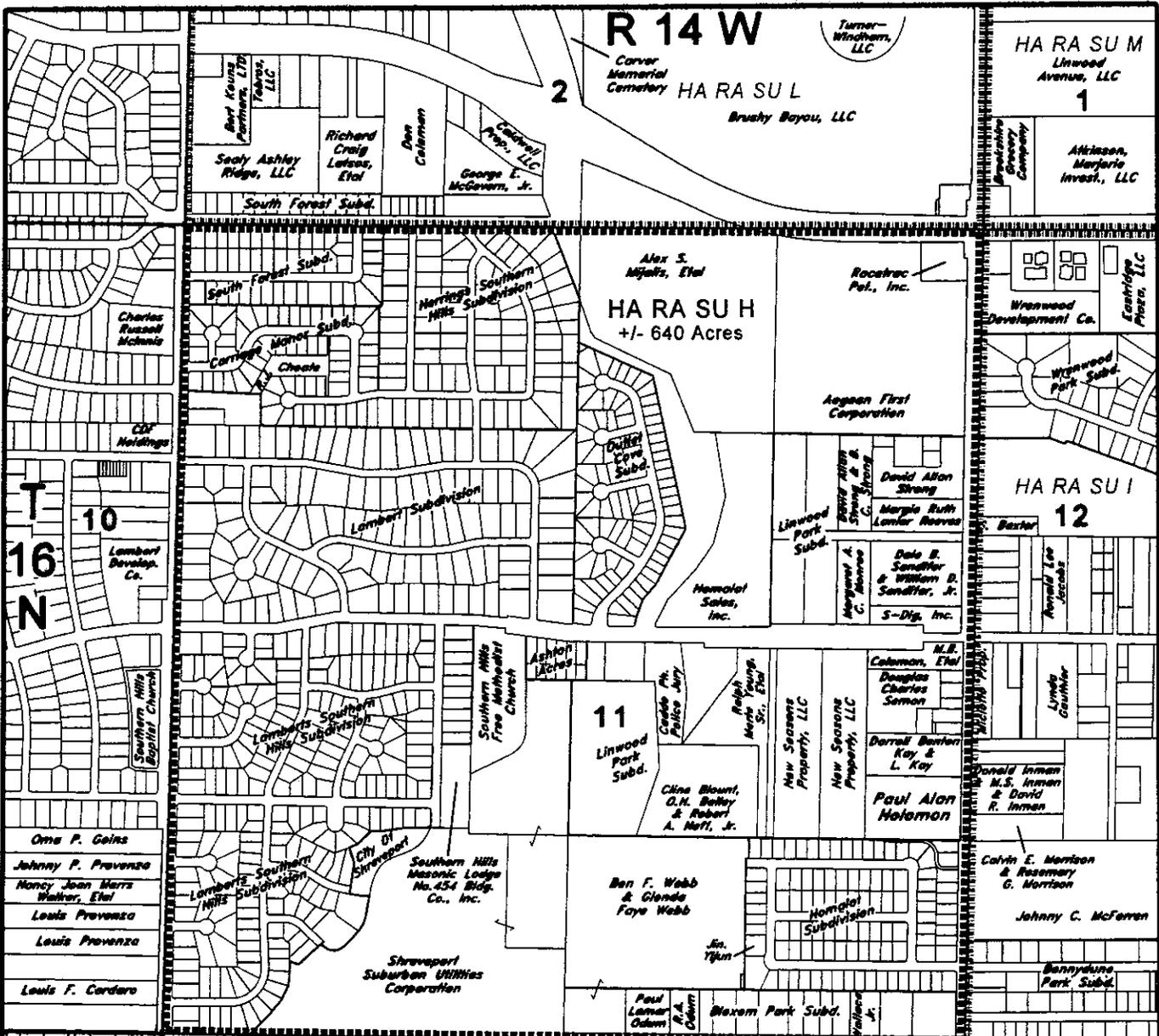
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

WTAlII/twd
Enclosures

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



15 William L. Simmons, Jr.
 14 Stottery Company, Inc.
 Enoch J. French, Jr. & Carol Ann King French
 11 Linwood Park Subd.
 12 Homotol Subdivision
 13 Blount Bros. Construction, Inc.

EXHIBIT No. _____ DOCKET No. _____
CHESAPEAKE OPERATING, INC.
CEDAR GROVE FIELD
CADDO PARISH, LOUISIANA
 Proposed Unit
Haynesville Zone, Reservoir A
 Date: _____
 0' 1000' 2000' 3000'
 Geology: JOE B. ADAMS

■■■■■■■■ - PROPOSED UNIT
 ■■■■■■■■ - PENDING MA UNITS
 NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.
 NOTE: NO WELL WILL BE PERFORATED LESS THAN 330' FROM ANY UNIT LINES.



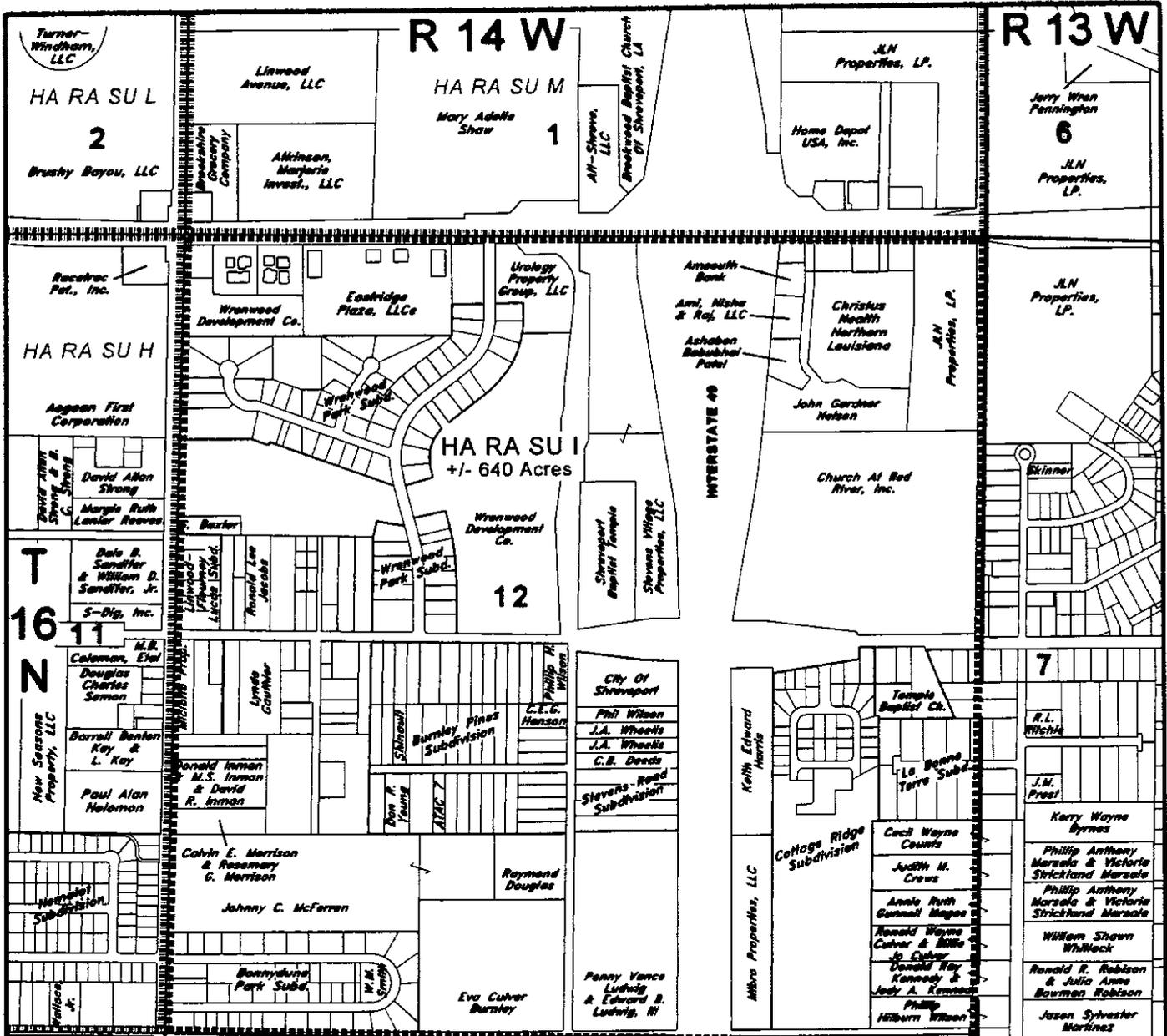


EXHIBIT No. DOCKET No.

CHESAPEAKE OPERATING, INC.

**CEDAR GROVE FIELD
CADDO PARISH, LOUISIANA**

Proposed Unit
Haynesville Zone, Reservoir A

Date:



Geology: **JOE B. ADAMS**

----- - PROPOSED UNIT
 ----- - PENDING HA UNITS

NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.

NOTE: NO WELL WILL BE PERFORATED LESS THAN 330' FROM ANY UNIT LINES.

