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July 21, 2010

APPLICATION

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LL.M. IN TAXATION
†† REGISTERED PATENT ATTORNEY

* ALSO ADMITTED IN TEXAS
** ALSO ADMITTED IN MISSISSIPPI

7097-71078

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
617 North Third Street
Baton Rouge, LA 70802

Re: Cotton Valley Zone, Reservoir A
Hosston Zone, Reservoir A
Harper Field
Natchitoches Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the **Cotton Valley Zone, Reservoir A**, and the **Hosston Zone, Reservoir A**, in the **Harper Field, Natchitoches Parish, Louisiana**, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, such unit to be designated CV RA SUA;
2. To create an additional drilling and production unit for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A, such unit to be designated HOSS RA SUB;

3. To redefine the Hosston Zone, Reservoir A, INSOFAR AND ONLY INSOFAR as to HOSS RA SUB, in accordance with the Definition section hereof;
4. 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;
5. To designate Chesapeake Operating, Inc. as operator of, and a unit well for each of the proposed units, if appropriate;
6. To provide that any future well drilled to the Cotton Valley Zone, Reservoir A, or the Hosston Zone, 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 reservoirs;
7. To provide that with respect to horizontal wells drilled to the Cotton Valley Zone, Reservoir A, or the Hosston Zone, 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 Cotton Valley or Hosston Zones, 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;
8. To provide that the Commissioner of Conservation should be authorized to reclassify the Cotton Valley Zone, 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;
9. To extend to HOSS RA SUB, to the extent not inconsistent herewith, all pertinent provisions of Office of Conservation Order No. 1434-B, and all applicable Statewide Orders; and
10. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Zone, Reservoir A, in the Harper Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 10,670 feet and 12,150 feet (electrical log measurements) in the Bodcaw, Franks, Texaco.- Harper No. 1 Well, located in Section 24, Township 14 North, Range 6 West, Bienville Parish, Louisiana, and is hereby further defined as being that gas and condensate bearing zone encountered between the depths of 10,875 feet and 13,175 feet (electrical log measurements) in the Bodcaw Shell - Rogers No. 1 Well, located in Section 4, Township 13 North, Range 6 West, Natchitoches Parish, Louisiana.

The Hosston Zone, Reservoir A, in the Harper Field, was previously defined in Office of Conservation Order No. 1434-B, effective April 3, 2001, and is hereby redefined INsofar AND ONLY INsofar as HOSS RA SUB is concerned, as being that gas and condensate bearing zone encountered between the depths of 7,800 feet and 10,670 feet (electrical log measurements) in the Bodcaw, Franks, Texaco.- Harper No. 1 Well, located in Section 24, Township 14 North, Range 6 West, Bienville Parish, Louisiana, and is hereby further defined INsofar AND ONLY INsofar as HOSS RA SUB is concerned, as being that gas and condensate bearing zone encountered between the depths of 8,150 feet and 10,875 feet (electrical log measurements) in the Bodcaw Shell - Rogers No. 1 Well, located in Section 4, Township 13 North, Range 6 West, Natchitoches Parish, Louisiana.

Pursuant to Rule 8 of the Rules of Procedure, the Commissioner of Conservation has waived the pre-application notice requirement. **A conference to discuss the proposed application is hereby scheduled for Monday, August 2, 2010, at 1:30 p.m., at the Petroleum Club of Shreveport, 416 Travis St., #1500, Energy Room A, Shreveport, LA 71101, (318) 425-4521.**

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux, Leon Comeaux & Associates, P.O. Box 53922, Lafayette, LA, 70505, (337) 233-9839.

There are attached hereto and made a part hereof two (2) plats outlining the proposed units 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 \$1510.00 made payable to the Office of Conservation in payment of the required hearing application fee.

July 21, 2010
Page 4

Sincerely,

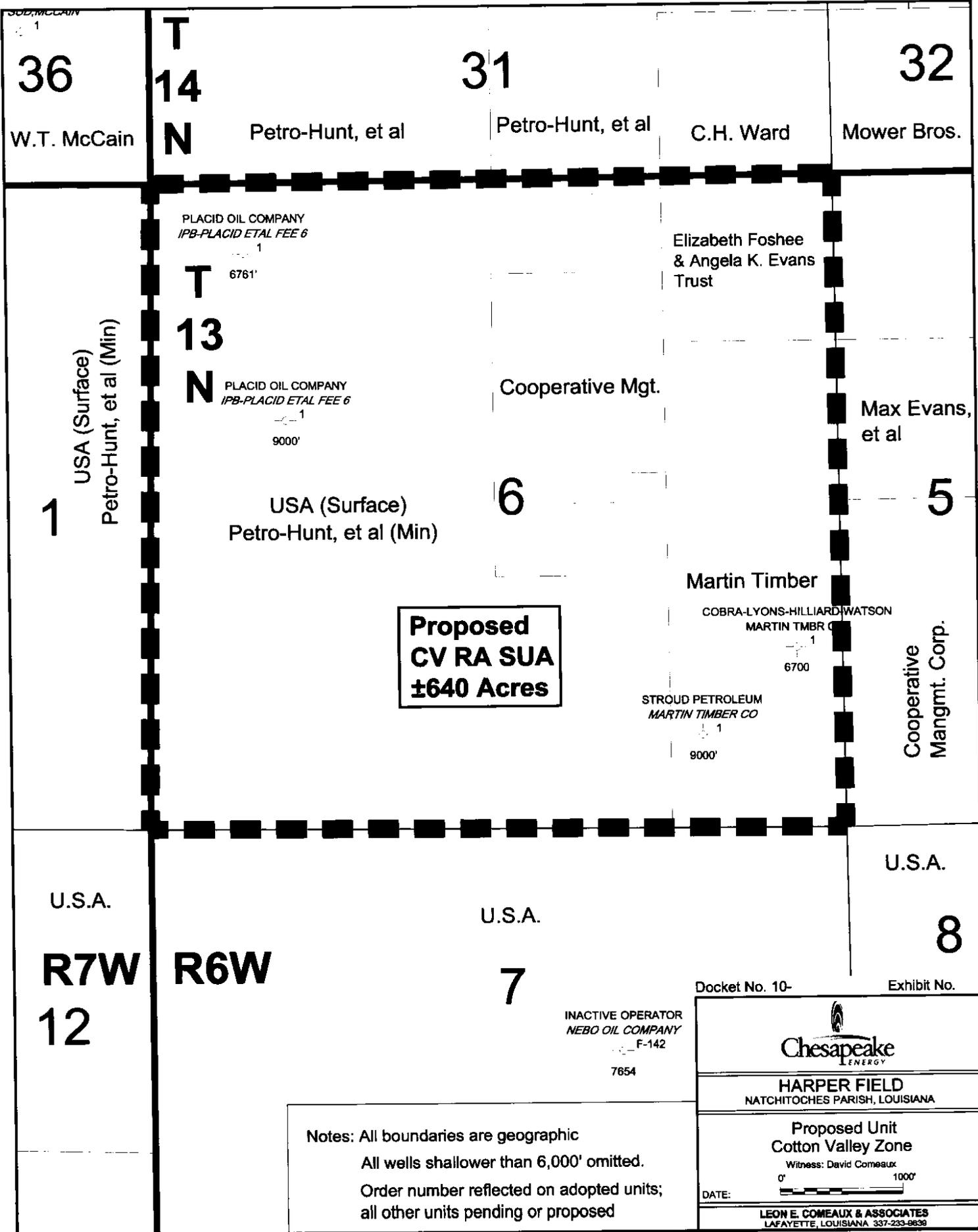
A handwritten signature in black ink, appearing to read "Jeremy B. Shealy". The signature is written in a cursive, flowing style.

RANDALL C. SONGY
JEREMY B. SHEALY

RCS/JBS/smp/fsc
Enclosure

Interested Owners, Represented Parties and
Interested Parties

Jim Broussard, District Manager
Office of Conservation



36

W.T. McCain

T
14
N

31

Petro-Hunt, et al

Petro-Hunt, et al

C.H. Ward

32

Mower Bros.

PLACID OIL COMPANY
IPB-PLACID ETAL FEE 6

T
13
N

6761'

PLACID OIL COMPANY
IPB-PLACID ETAL FEE 6

9000'

USA (Surface)
Petro-Hunt, et al (Min)

Cooperative Mgt.

6

Elizabeth Foshee
& Angela K. Evans
Trust

Max Evans,
et al

5

**Proposed
CV RA SUA
±640 Acres**

Martin Timber

COBRA-LYONS-HILLIARD-WATSON
MARTIN TMBR CO

6700'

STROUD PETROLEUM
MARTIN TIMBER CO

9000'

Cooperative
Mangmt. Corp.

U.S.A.

R7W

12

R6W

U.S.A.

7

INACTIVE OPERATOR
NEBO OIL COMPANY
F-142
7854

U.S.A.

8

Docket No. 10-

Exhibit No.



HARPER FIELD
NATCHITOCHEES PARISH, LOUISIANA

**Proposed Unit
Cotton Valley Zone**

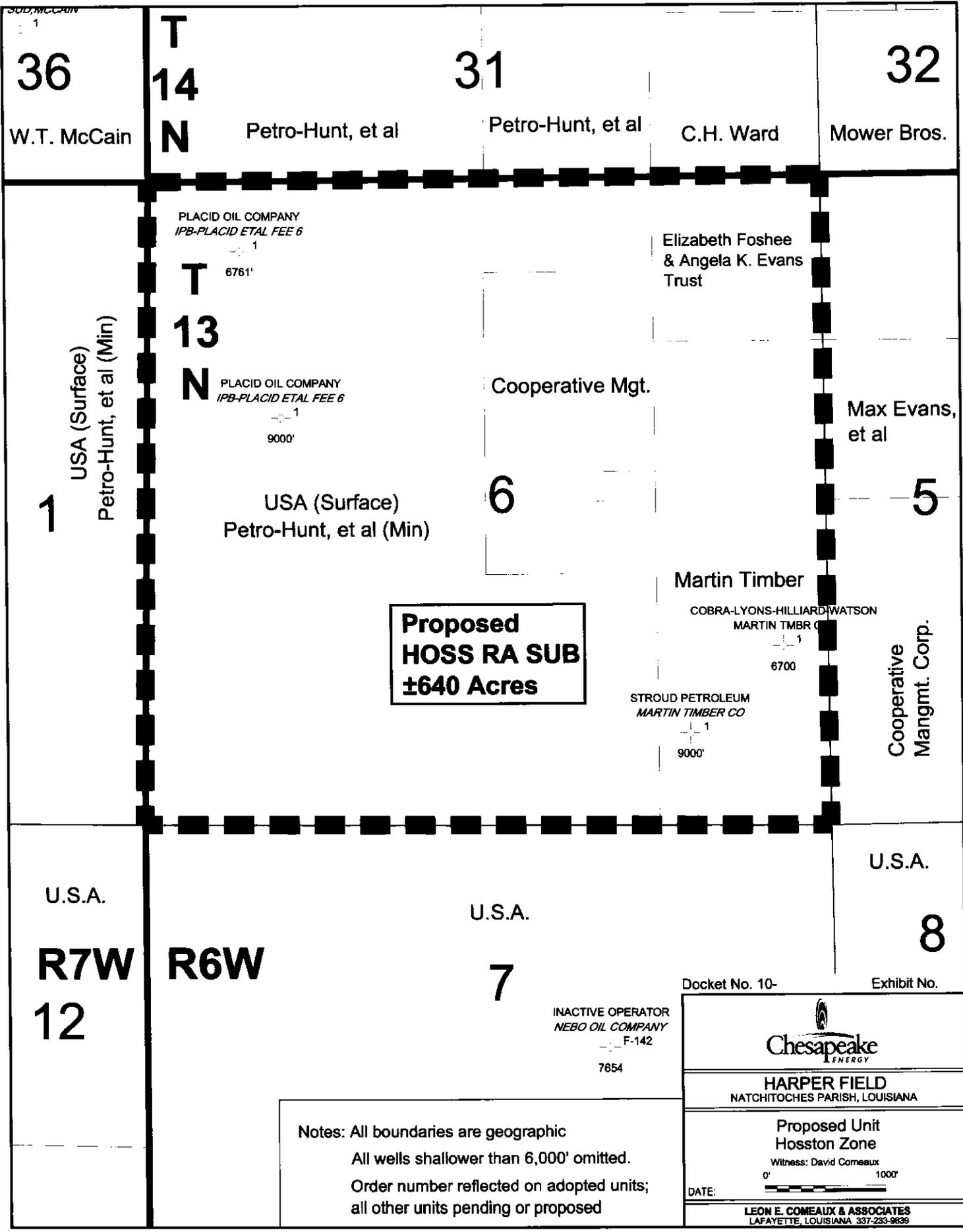
Witness: David Comeaux

DATE:



LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9836

Notes: All boundaries are geographic
All wells shallower than 6,000' omitted.
Order number reflected on adopted units;
all other units pending or proposed



36

W.T. McCain

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31

Petro-Hunt, et al

Petro-Hunt, et al

C.H. Ward

32

Mower Bros.

PLACID OIL COMPANY
IPB-PLACID ETAL FEE 6

T
13
N

6761'

PLACID OIL COMPANY
IPB-PLACID ETAL FEE 6

9000'

Elizabeth Foshee
& Angela K. Evans
Trust

Cooperative Mgt.

Max Evans,
et al

1

USA (Surface)
Petro-Hunt, et al (Min)

USA (Surface)
Petro-Hunt, et al (Min)

6

5

**Proposed
HOSS RA SUB
±640 Acres**

Martin Timber

COBRA-LYONS-HILLIARD WATSON
MARTIN TMBR CO

6700'

STROUD PETROLEUM
MARTIN TIMBER CO

9000'

Cooperative
Mangmt. Corp.

U.S.A.

R7W
12

U.S.A.

R6W

7

INACTIVE OPERATOR
NEBO OIL COMPANY

F-142
7854

U.S.A.

8

Docket No. 10-

Exhibit No.



HARPER FIELD
NATCHITOCHES PARISH, LOUISIANA

Proposed Unit
Hosston Zone

Witness: David Comeaux
0' 1000'

DATE:

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

Notes: All boundaries are geographic
All wells shallower than 6,000' omitted.
Order number reflected on adopted units;
all other units pending or proposed