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December 17, 2010

APPLICATION

7097-69888

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

RE: Upper Haynesville Zone, Reservoir A
Lower Haynesville Zone, Reservoir A
Logansport Field
DeSoto Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.**, for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **Upper Haynesville Zone, Reservoir A**, and the **Lower Haynesville Zone, Reservoir A**, in the **Logansport Field**, DeSoto Parish, Louisiana, to-wit:

1. To establish rules and regulations and create drilling and production units for the exploration for and production of gas and condensate from the Upper Haynesville Zone, Reservoir A, and the Lower Haynesville Zone, Reservoir A, such units to be designated U HA RA SUTT and L HA RA SUTT;
2. 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;

3. To designate Chesapeake Operating, Inc. as the operator of, and its Fisher 7H No. 1 Well as the unit well for L HA RA SUTT;
4. To provide that any future well drilled the Upper Haynesville Zone, Reservoir A, or the Lower Haynesville 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;
5. To provide that with respect to horizontal wells drilled to the Upper Haynesville Zone, Reservoir A, or the Lower Haynesville 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 Upper Haynesville Zone, Reservoir A, or the Lower Haynesville Zone, Reservoir A, 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;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoirs by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoirs change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Upper Haynesville Zone, Reservoir A, in the Logansport Field, DeSoto Parish, Louisiana, is hereby defined as being that gas and condensate bearing interval encountered between the depths of 10,050 feet and 11,080 feet (electrical log measurements) in the Comstock – Wimberly No. 1 Well, located in Section 14, Township 12 North, Range 16 West, DeSoto Parish, Louisiana.

The Lower Haynesville Zone, Reservoir A, in the Logansport Field, DeSoto Parish, Louisiana, is hereby defined as being that gas and condensate bearing interval encountered between the depths of 11,080 feet and 11,475 feet (electrical log measurements) in the Comstock – Wimberly No. 1 Well, located in Section 14, Township 12 North, Range 16 West, DeSoto Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 8:45 a.m. on December 16, 2010, at The Petroleum Club of Shreveport, 416 Travis Street, #1500, Energy Room C, Shreveport, Louisiana. A list of the parties who

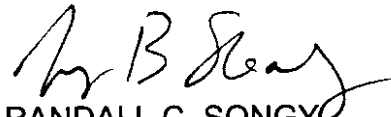
attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a discussion on unitization and the Rules of Procedure, and an explanation of the applicant's proposal. David Comeaux, geological consultant for the applicant, further explained the applicant's proposal and the geological, engineering and other bases therefor and, in a collaborative effort, Mr. Songy and Mr. Comeaux answered questions. Thereafter, a counterplan to the applicant's proposal was presented on behalf of Will-Drill Resources, Inc. and Frank's Exploration Company, L.L.C. The parties were unable to resolve their differences at the conference; thus, we anticipate there will be opposition at the hearing. The conference was then adjourned.

Pertinent data relating to this Application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux, with Leon Comeaux & Associates, 305 La Rue France, Lafayette, LA 70508 (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 \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee. **Chesapeake Operating, Inc. has a lease expiration date of February 9, 2011, and thus we respectfully request that this Application be scheduled for hearing at the earliest possible date permitted under the Commissioner's Rules of Procedure.**

Very truly yours,



RANDALL C. SONGY
JEREMY B. SHEALY

RCS/JBS/smp/dmw
Enclosures

cc: Interested Owners, Represented Parties,
and Interested Parties

Mr. Jim Broussard, District Manager
Office of Conservation

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, 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 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.

