

**BRYAN S. GROVES**  
G E O L O G I S T

110 Oil Center Drive, Building 13  
Post Office Box 53887  
Lafayette, Louisiana 70505  
Telephone: 337/233-8032, Fax: 337/233-8066  
E-mail: bryangroves@cox-internet.com

January 19, 2011

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

**RE: HEARING APPLICATION  
SD 1-4 Zone, RA SUA and RA SUB  
Oakley Field  
Assumption Parish, Louisiana**

Dear Sir:

Application is hereby made on behalf of **CHAPARRAL ENERGY, LLC** ("Applicant") for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the SD 1-4 Zone, RA SUA and RA SUB, in Oakley Field, Assumption Parish, Louisiana:

**SD 1-4 ZONE, RA SUA and RA SUB**

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the SD 1-4 Zone, RA SUA and RA SUB.
2. To create drilling and production units for the exploration and production of gas and condensate from the SD 1-4 Zone, RA SUA and RA SUB, such proposed units being shown on the attached plat and being designated as SD 1-4 Zone, RA SUA and RA SUB.
3. 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.
4. To provide that the Commissioner of Conservation may reclassify the reservoirs by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.
5. The SD 1-4 Zone is hereby defined as that gas and condensate bearing interval encountered between the electric log depths of 13,023 feet and 13,359 feet in the Union Oil Co.-J. Aron No. 1-A Well (Serial No. 148256) located in Section 33, Township 14 South, Range 14 East, Assumption Parish, Louisiana.
6. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the office of Bryan S. Groves, 110 Oil Center Drive, Building 13, Lafayette, Louisiana 70503. Any person wishing to inspect such data should call Bryan S. Groves at 337/233-8032 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

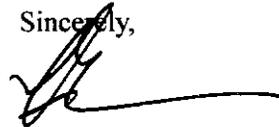
In compliance with the Revised Rules of Procedure, a pre-application conference was held on Wednesday, December 15, 2010, at the Petroleum Club of Lafayette, located at 111 Heymann Boulevard, Lafayette, Louisiana, on behalf of Chaparral Energy, LLC. The meeting was opened and Bryan Groves, representing Chaparral Energy, LLC, explained the Chaparral unit proposal. Questions were asked and answered. Mr. David Comeaux, representing Pennington Operating Co., LLC, presented a counterplan that added an additional SD 1-4 Zone, RA SUB unit proposal adjacent to the east of the Chaparral proposal. The parties have reconciled their differences, wherein Applicant revises its plan and is utilizing the approximate outer boundaries of both the Applicant's original proposal and Pennington's proposal, and have split the plan into Sand Units A and B. The parties have agreed that the second unit well drilled in the reservoir in an adjacent unit can be drilled as an equal offset to the interior boundaries of the two units in exception to the 2,000' spacing provision in Statewide Order No. 29-E, but the parties further agree that neither unit operator shall be required to drill to a bottomhole location greater than 750 feet to its unit boundary.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat is enclosed herewith and a copy of this letter and of the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on said list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of the Subject Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation representing the required hearing application fee.

Sincerely,



**Bryan S. Groves**  
Geologist

Encs.

cc: Mr. Richard Hudson (w/enclosures)  
Interested Owners, Represented Parties and  
Interested Parties (w/plat only)

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

You may have received this application letter 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 application notice letter 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.

