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February 1, 2011

APPLICATION

7097-71441

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

RE: Lower Cotton Valley Zone, Reservoir A
Haynesville Zone, Reservoir A
Elm Grove Field
Bossier 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 s related to the **Lower Cotton Valley Zone, Reservoir A**, and the **Haynesville Zone, Reservoir A**, in the **Elm Grove Field**, Bossier Parish, Louisiana, to-wit:

1. To dissolve the existing LCV RA SUFF, and simultaneously therewith recreate a revised drilling and production unit for the Lower Cotton Valley Zone, Reservoir A, such revised unit to be designated LCV RA SUFF;
2. To redefine the Lower Cotton Valley Zone, Reservoir A, INSOFAR AND ONLY INSOFAR as the revised LCV RA SUFF is concerned, in accordance with the definition section hereof;
3. To create an additional drilling and production unit for the Haynesville Zone, Reservoir A, such unit to be designated HA RA SU134;

4. To redefine the Haynesville Zone, Reservoir A, INSO FAR AND ONLY INSO FAR as HA RA SU134 is concerned, in accordance with the definition section hereof;
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 designate Chesapeake Operating, Inc. as the operator of, and its Glasscock 33-16-11H No. 1 Well as the unit well for HA RA SU134, at the location shown on the attached plat;
7. To provide that with respect to the location of the proposed unit well for HA RA SU134, 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, and provided that said unit well is the initial well drilled for HA RA SU134;
8. To provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve HA RA SU134, 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) 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 extend to the revised LCV RA SUFF, except to the extent contrary herewith, all pertinent provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the 361-E Series of Orders, and all applicable Statewide Orders;
10. To extend to HA RA SU134, except to the extent contrary herewith, all pertinent provisions of Office of Conservation Order No. 361-L, effective July 29, 2008, as amended and supplemented by the 361-L Series of Orders, and all applicable Statewide Orders;
11. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was originally defined in Office of Conservation Order No.

361-E, effective July 16, 1996, and previously redefined as to the existing LCV RA SUFF in Office of Conservation Order No. 361-E-143, effective December 16, 2003, and is hereby redefined, INsofar AND ONLY INsofar as the revised LCV RA SUFF is concerned, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 9,125 feet and 9,650 feet (electrical log measurements) in the KCS Resources – Elm Grove Plantation No. 15 Well, located in Section 9, Township 16 North, Range 11 West, Bossier Parish, Louisiana.

The Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was previously defined in Office of Conservation Order No. 361-L, effective July 29, 2008, and is hereby redefined, INsofar AND ONLY INsofar as HA RA SU134 is concerned, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 9,650 feet and 11,426 feet (electrical log measurements) in the KCS Resources – Elm Grove Plantation No. 15 Well, located in Section 9, Township 16 North, Range 11 West, Bossier Parish, Louisiana.

The pre-application conference tentatively scheduled for February 9, 2011, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

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 three (3) plats outlining the unit to be dissolved and 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.

Very truly yours,



RANDALL C. SONGY
JEREMY B. SHEALY

RCS/JBS/smp/bad
Enclosures

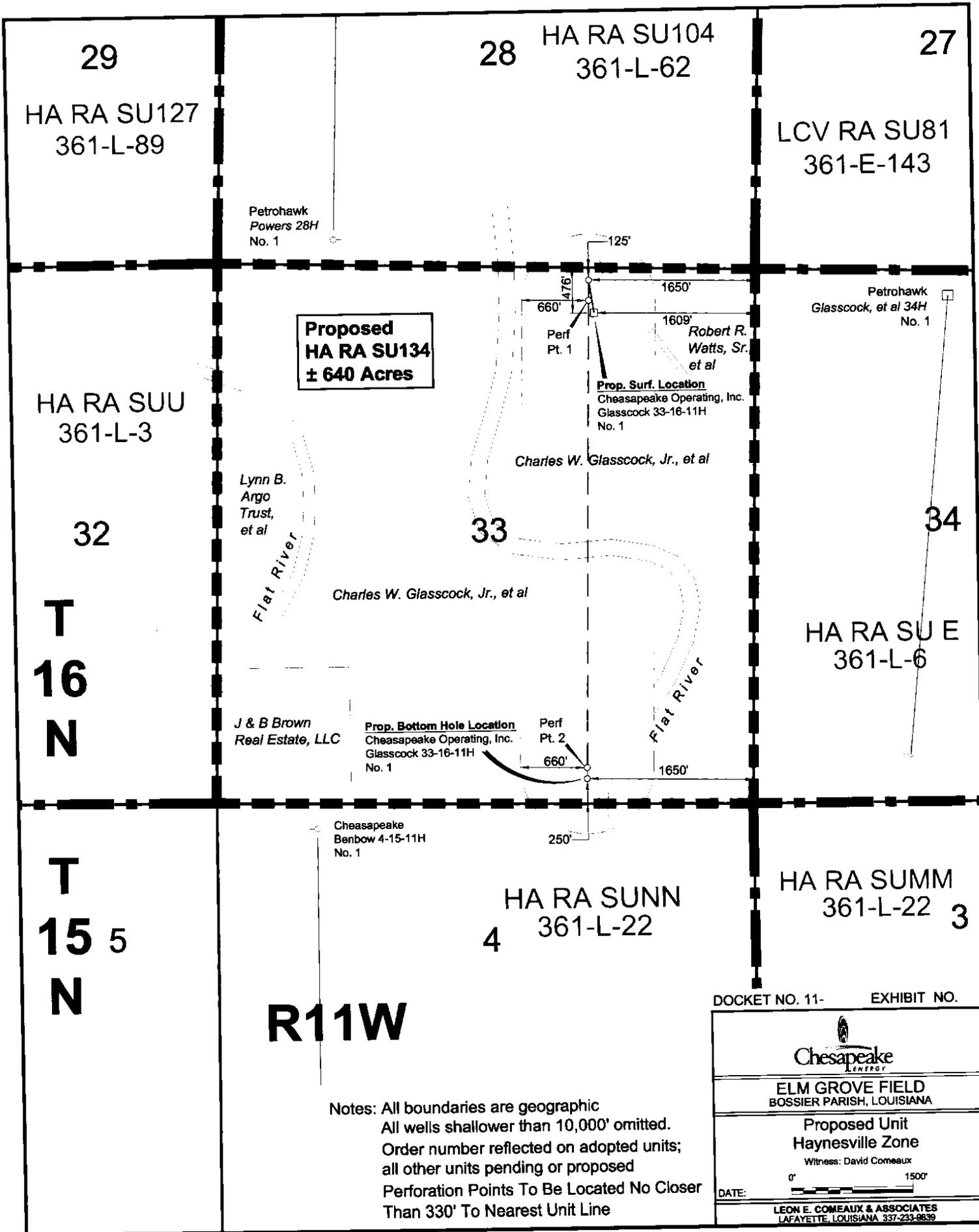
cc: Interested Owners, Represented Parties,
and Interested Parties

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.



29

HA RA SU127
361-L-89

28

HA RA SU104
361-L-62

27

LCV RA SU81
361-E-143

Petrohawk
Powers 28H
No. 1

**Proposed
HA RA SU134
± 640 Acres**

125'
1650'
660'
1609'
Perf Pt. 1
Prop. Surf. Location
Chesapeake Operating, Inc.
Glasscock 33-16-11H
No. 1
Robert R. Watts, Sr.
et al
Charles W. Glasscock, Jr., et al

Petrohawk
Glasscock, et al 34H
No. 1

HA RA SUU
361-L-3

32

Lynn B.
Argo
Trust,
et al

33

Charles W. Glasscock, Jr., et al

34

HA RA SU E
361-L-6

T
16
N

J & B Brown
Real Estate, LLC

Prop. Bottom Hole Location
Chesapeake Operating, Inc.
Glasscock 33-16-11H
No. 1
Perf Pt. 2
660'

1650'

Flat River

Chesapeake
Benbow 4-15-11H
No. 1

250'

HA RA SUNN
4 361-L-22

HA RA SUMM
3 361-L-22

T
15
N

R11W

Notes: All boundaries are geographic
All wells shallower than 10,000' omitted.
Order number reflected on adopted units;
all other units pending or proposed
Perforation Points To Be Located No Closer
Than 330' To Nearest Unit Line

DOCKET NO. 11- EXHIBIT NO.



ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

Proposed Unit
Haynesville Zone

Witness: David Comeaux

DATE: 0' 1500'

LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839

29

HA RA SU127
361-L-89

28

HA RA SU104
361-L-62

Petrochem
Watts 28
1
8400'

27

LCV RA SU81
361-E-143

Petrohawk
Powers 28H
No. 1

LCV RA SUFF
361-E-19

Petrohawk
Glasscock, et al 34H
No. 1

Robert R.
Watts, Sr.
et al

HA RA SUU
361-L-3

Charles W. Glasscock, Jr., et al

32

Lynn B.
Argo
Trust,
et al

33

34

T
16
N

Flat River

Charles W. Glasscock, Jr., et al

HA RA SU E
361-L-6

J-W Operating
Glasscock 33
9526'

Flat River

J & B Brown
Real Estate, LLC

T
15 5
N

Chesapeake
Benbow 4-15-11H
No. 1

HA RA SUNN
4 361-L-22

HA RA SUMM
361-L-22 3

R11W

DOCKET NO. 11- EXHIBIT NO.



ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

Unit To Be Dissolved
LCV RA SUFF

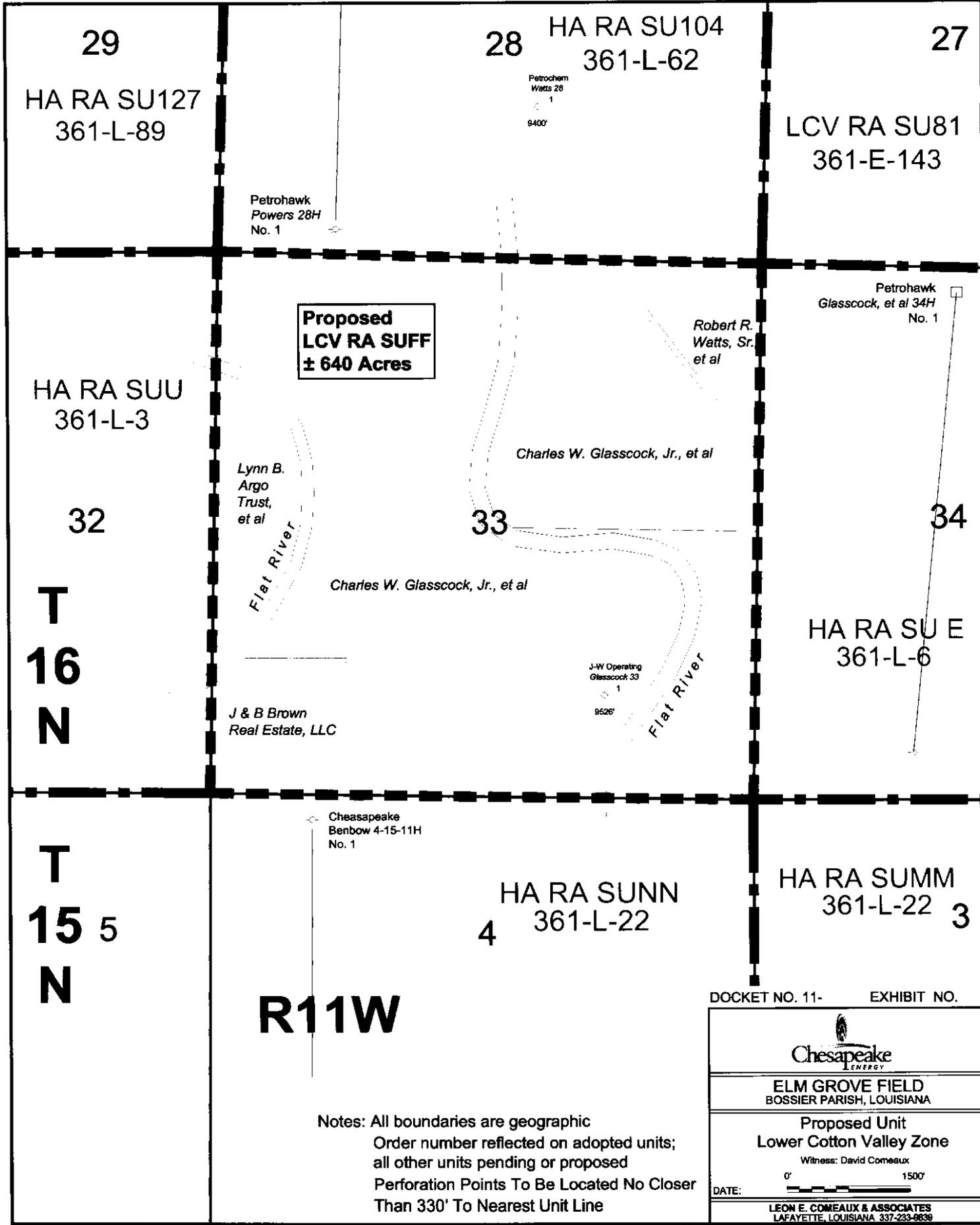
Witness: David Comeaux

DATE:

0' 1500'

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

Notes: All boundaries are geographic
Order number reflected on adopted units;
all other units pending or proposed



**Proposed
LCV RA SUFF
± 640 Acres**

29
HA RA SU127
361-L-89

28 HA RA SU104
361-L-62

27
LCV RA SU81
361-E-143

HA RA SUU
361-L-3

32

33

34

T
16
N

HA RA SU E
361-L-6

T
15
N

4 HA RA SUNN
361-L-22

HA RA SUMM
361-L-22 3

R11W

Notes: All boundaries are geographic
Order number reflected on adopted units;
all other units pending or proposed
Perforation Points To Be Located No Closer
Than 330' To Nearest Unit Line

DOCKET NO. 11- EXHIBIT NO.



ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

Proposed Unit
Lower Cotton Valley Zone

Witness: David Comeaux

0' 1500'

DATE:

LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839