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February 7, 2011

APPLICATION

7097-71310

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

Re: Haynesville Zone, Reservoir A
San Miguel Creek Field
Sabine 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 **Haynesville Zone, Reservoir A,** in the **San Miguel Creek Field**, Sabine Parish, Louisiana, for which rules and regulations were established and a pattern of drilling and production units was created by Office of Conservation Order No. 1165-K, effective October 28, 2008, as amended and supplemented by the 1165-K Series of Orders, to-wit:

1. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such units to be designated HA RA SUTT, HA RA SUUU, HA RA SUVV, and HA RA SUWW;

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 a unit well for, each of the proposed units, if appropriate;

4. To provide that with respect to horizontal wells drilled to the 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 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;

5. To extend to the proposed units, to the extent not inconsistent herewith, all pertinent provisions of Office of Conservation Order No. 1165-K, effective October 28, 2008, as amended and supplemented by the 1165-K Series of Orders, and all applicable Statewide Orders; and

6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, in the San Miguel Creek Field, Sabine and Red River Parishes, was fully defined in Office of Conservation Order No. 1165-K, effective October 28, 2008.

The pre-application conference tentatively scheduled for February 15, 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, with Leon Comeaux & Associates, 305 La Rue France, Lafayette, LA 70508 (337) 233-9839.

There is attached hereto and made a part hereof a plat 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.

Very truly yours,

RANDALL C. SONGY
JEREMY B. SHEALY

RCS/JBS/smp/fsc
Enclosures

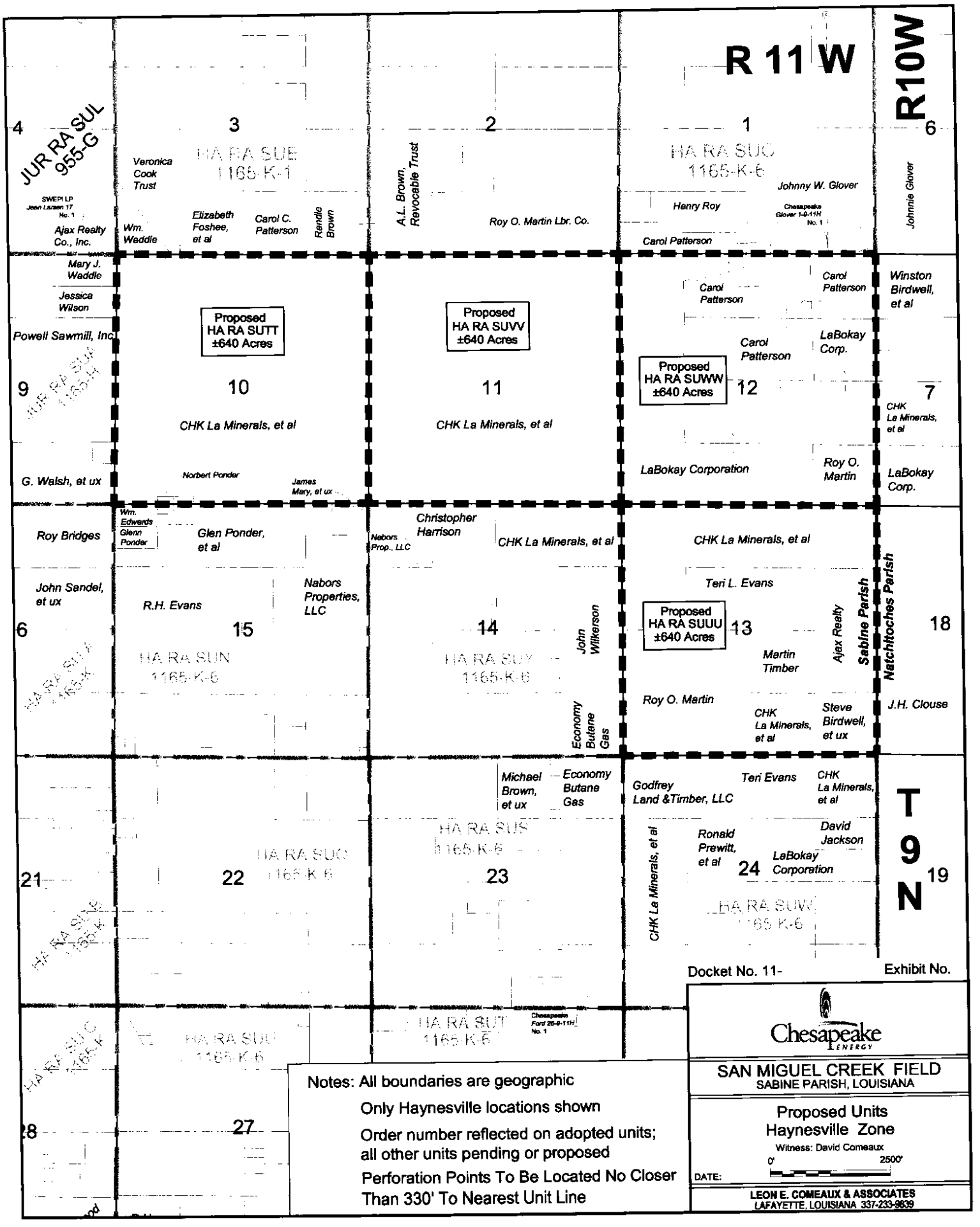
cc: Interested Owners, Represented Parties, and Interested Parties

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.



Notes: All boundaries are geographic

Only Haynesville locations shown

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.

Chesapeake ENERGY

SAN MIGUEL CREEK FIELD
SABINE PARISH, LOUISIANA

Proposed Units
Haynesville Zone

Witness: David Comeaux

0' 2500'

DATE:

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