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April 28, 2011

APPLICATION

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7097-71724

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
Cedar Grove Field
Caddo 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 **Cedar Grove Field**, Caddo 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. 967-C, effective August 12, 2008, as amended and supplemented by the 967-C Series of Orders, to-wit:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such unit to be designated HA RA SUP;
2. To redefine the Haynesville Zone, Reservoir A, INSOFAR AND ONLY INSOFAR as to the proposed unit, in accordance with the Definition section hereof;

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
4. To designate Chesapeake Operating, Inc. as the operator of, and a unit well for the proposed unit, if appropriate;
5. To provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve the proposed unit, 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;
6. To extend to the proposed unit, to the extent not inconsistent herewith, all pertinent provisions of Office of Conservation Order No. 967-C, effective August 12, 2008, as amended and supplemented by the 967-C Series of Orders, and all applicable Statewide Orders; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Cedar Grove Field, was previously defined in Office of Conservation Order No. 967-C, effective August 12, 2008, and is hereby redefined INsofar AND ONLY INsofar as to the unit proposed herein, as being that gas and condensate bearing zone encountered between the depths of 9,960 feet and 11,542 feet (electrical log measurements) in the Petrohawk Operating Company - B&K Exploration 37 No. 1 Well, located in Irregular Section 37, Township 17 North, Range 13 West, Caddo Parish, Louisiana.

The pre-application conference tentatively scheduled for April 28, 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 unit 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.

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HA RA SUN
967-C-8

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Fiest Prop.

Fiest Prop.

Brunswick Place Subdivision

S. Dresden Ct.

Town South Estates Subdivision

Caddo Parish Sch. Board

Caddo Parish Sch. Board

Galway Dr.

A. Woods, LP

Town South Estates Sub.

Willis-Knighton Medical Center

HA RA SUV
967-C-14

**Proposed
HA RA SUP
± 640 Acres**

Multi-Faith Retirement

Live Oak Multi-Faith Trust

Live Oak Multi-Faith Trust

James Dowling, et al
St. Eliz. Seton Cath. Ch.

Azela Est. of Shrev.

Willis-Knighton Medical Center

Saint Nicholas Orthodox Church

Church of the Atonement

Avallone Mgmt.

Downtown Partnership

Southwood Terrace Subdivision

Woodmead Dr.
Parkside Dr.

Catherine Gullo
John Gullo

Southside Bap. Ch.

John Gullo

E. Flourmoy Lucas Rd.

Shreveport Develop. Corp.

Shreveport Develop. Corp.

City of Shreveport

Franks Investment Co.

Franks Investment Co.

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N

HA RA SUS
967-C-10

HA RA SUU
967-C-11

R13W

9

HA RA SU133
361-L-101
10

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DOCKET NO. 11-

EXHIBIT NO.



CEDAR GROVE FIELD
CADDO PARISH, LOUISIANA

Proposed Unit
Haynesville Zone

Witness: David Comeaux

0' 1000'

DATE:

LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-0839

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