

RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

HEARINGS SECTION

District 06
Rule 37 Case No. 0245869

APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR AN EXCEPTION TO STATEWIDE RULE 37 TO
DRILL WELL NO. 4 ON THE GREEN GAS UNIT
LEASE, OAK HILL (COTTON VALLEY) FIELDS,
GREGG COUNTY, TEXAS.

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on July 30, July 31, and August 6, 2008, the examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that application of Chesapeake Operating, Inc. for an exception to Statewide Rule 37 to drill Well No. 4 on the Green Gas Unit Lease, Oak Hill (Cotton Valley) Fields, Gregg County, Texas, as shown by a plat submitted by the applicant be and is hereby **DENIED**.

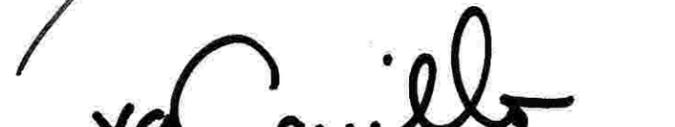
Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order 3 days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest within such 20-day period after the party's presumed notice, this order shall not become final until such motion is overruled, or if rehearing is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order in accordance with TEX. GOV'T CODE §2001.144.

Done this 15th day of January, 2009.

RAILROAD COMMISSION OF TEXAS


CHAIRMAN MICHAEL L. WILLIAMS


COMMISSIONER VICTOR G. CARRILLO


COMMISSIONER ELIZABETH A. JONES

ATTEST:


SECRETARY

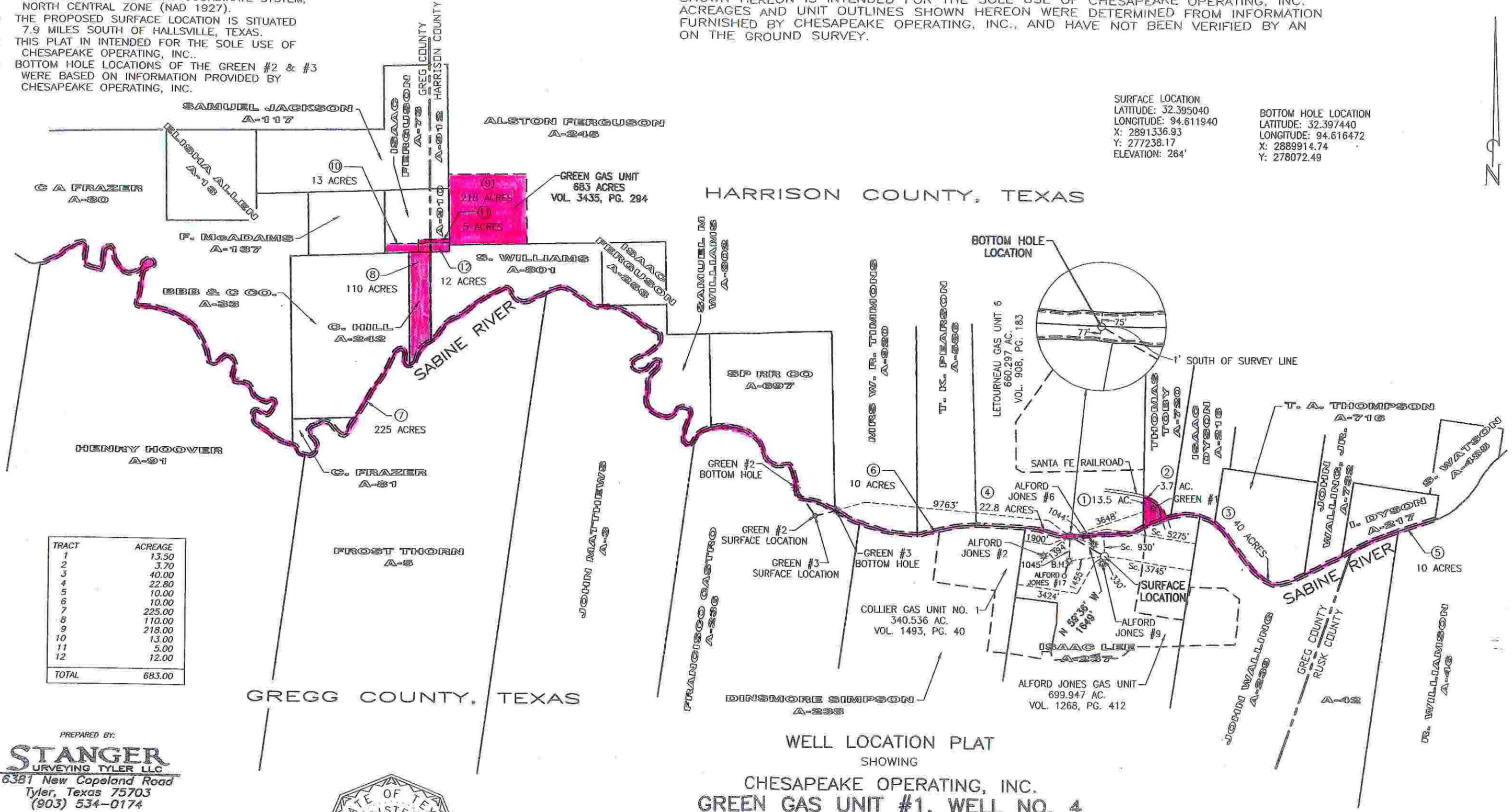


- NOTES:
- 1.) ALL BEARINGS, DISTANCES AND COORDINATES SHOWN HEREON ARE BASED ON G.P.S. DATA CONVERTED TO THE TEXAS COORDINATE SYSTEM, NORTH CENTRAL ZONE (NAD 1927).
 - 2.) THE PROPOSED SURFACE LOCATION IS SITUATED 7.9 MILES SOUTH OF HALLSVILLE, TEXAS.
 - 3.) THIS PLAT IS INTENDED FOR THE SOLE USE OF CHESAPEAKE OPERATING, INC.
 - 4.) BOTTOM HOLE LOCATIONS OF THE GREEN #2 & #3 WERE BASED ON INFORMATION PROVIDED BY CHESAPEAKE OPERATING, INC.

NOTE: THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY AND THE INFORMATION SHOWN HEREON IS INTENDED FOR THE SOLE USE OF CHESAPEAKE OPERATING, INC. ACREAGES AND UNIT OUTLINES SHOWN HEREON WERE DETERMINED FROM INFORMATION FURNISHED BY CHESAPEAKE OPERATING, INC., AND HAVE NOT BEEN VERIFIED BY AN ON THE GROUND SURVEY.

SURFACE LOCATION
 LATITUDE: 32.395040
 LONGITUDE: 94.611940
 X: 2891336.93
 Y: 277238.17
 ELEVATION: 264'

BOTTOM HOLE LOCATION
 LATITUDE: 32.397440
 LONGITUDE: 94.616472
 X: 2889914.74
 Y: 278072.49

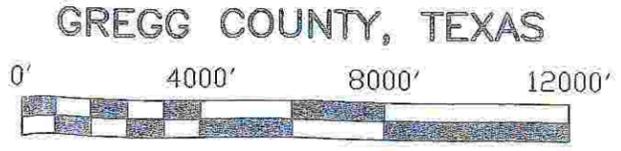


TRACT	ACREAGE
1	13.50
2	3.70
3	40.00
4	22.80
5	10.00
6	10.00
7	225.00
8	110.00
9	218.00
10	13.00
11	5.00
12	12.00
TOTAL	683.00

PREPARED BY:
STANGER
 SURVEYING TYLER LLC
 6381 New Copeland Road
 Tyler, Texas 75703
 (903) 534-0174



WELL LOCATION PLAT
 SHOWING
 CHESAPEAKE OPERATING, INC.
 GREEN GAS UNIT #1, WELL NO. 4
 SURFACE LOCATION LOCATED 3424 FT. FROM THE WEST LINE AND 930 FT. FROM THE NORTH LINE (SABINE RIVER) OF THE ISAAC LEE SURVEY, A-237

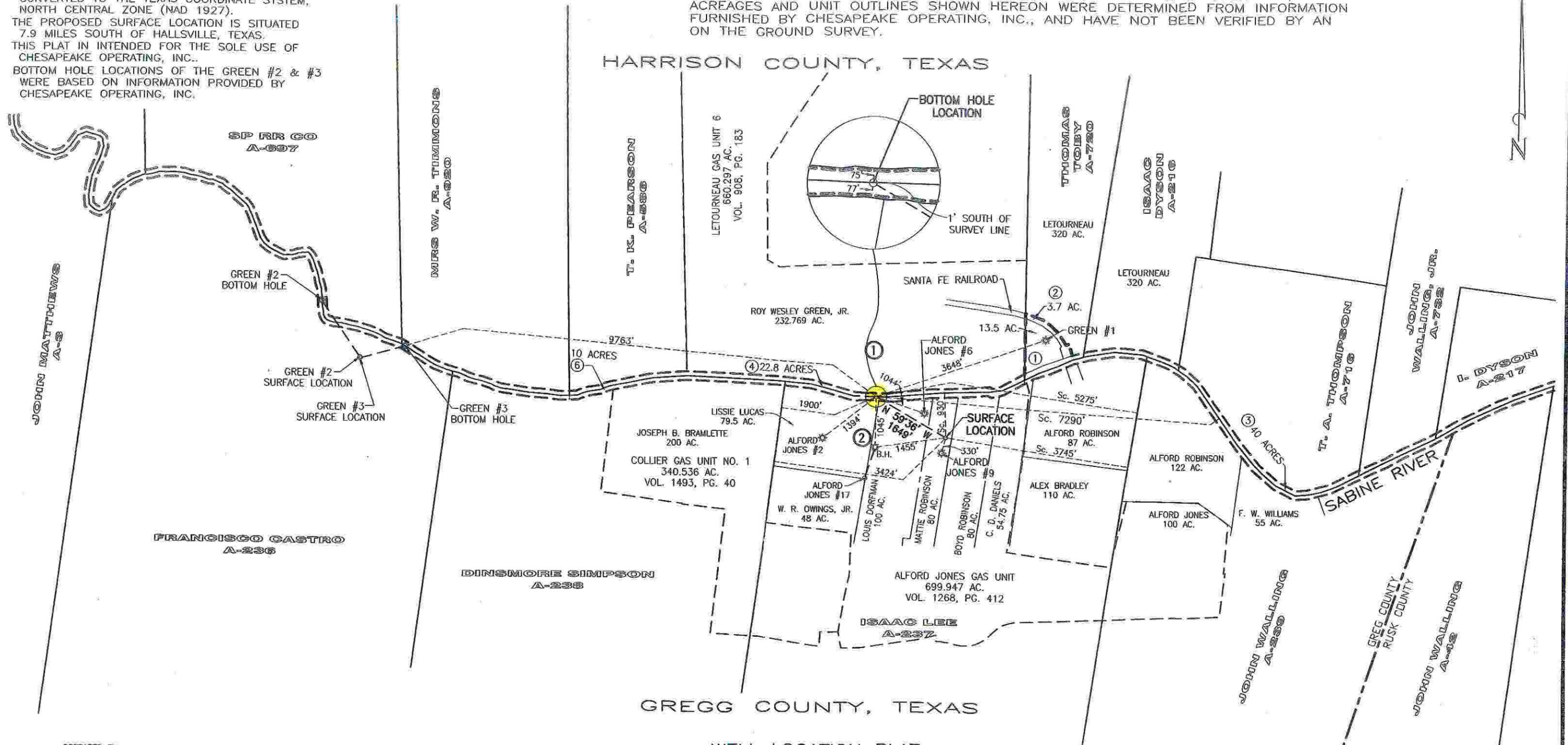


THE UNDERSIGNED, DO HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

BY: *Kenny Williams* APRIL 2, 2008

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GREGG COUNTY, TEXAS

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SHOWING

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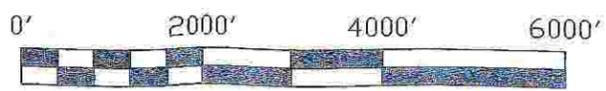
GREGG COUNTY, TEXAS

PREPARED BY:
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