

SEP 30 2008

FILED/RECEIVED

BEFORE THE CORPORATION COMMISSION  
OF THE STATE OF OKLAHOMA

OCT 01 2008

<b>APPLICANTS:</b>	CHESAPEAKE OPERATING, INC. AND )	COURT CLERK'S OFFICE - OKC CORPORATION COMMISSION OF OKLAHOMA
	CHESAPEAKE EXPLORATION, L.L.C. )	
	)	
<b>RELIEF SOUGHT:</b>	SPACING )	Cause CD No.
	)	
<b>LEGAL</b>	W/2 OF SECTION 20 )	200806961
<b>DESCRIPTION:</b>	TOWNSHIP 2 NORTH )	
	RANGE 8 WEST OF THE IM )	
	STEPHENS COUNTY, OKLAHOMA )	

## APPLICATION

1. Parties:

1.1. Applicants herein are Chesapeake Operating, Inc. and Chesapeake Exploration, L.L.C., whose address for the purposes hereof is P.O. Box 54768, Oklahoma City, Oklahoma 73154-1768. The attorney for Applicants is Elizabeth Anne George, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, Telephone: (405) 879-1558.

1.2. Applicants are each the owner of the right to drill a well into and produce hydrocarbons from the Hoxbar formation underlying the W/2 of Section 20, Township 2 North, Range 8 West of the IM, Stephens County, Oklahoma.

1.3. The name and last-known address of each person or governmental entity, other than Applicants, currently having the right or claiming to have the right to participate in production from the proposed drilling and spacing unit to be formed in this cause for the formation involved herein are set forth in Exhibit "A" attached hereto and made a part hereof. Each of the individuals named in Exhibit "A" is being made a respondent if living, and if any such individual is deceased, then the unknown heirs, executors, administrators, devisees, trustees and assigns, both immediate and remote, of such deceased individual are made respondents herein. Each of the entities listed in Exhibit "A" that is a partnership, corporation or other association is being made a respondent if such entity continues to have legal existence, and if any such entity is dissolved, then the unknown successors, trustees and assigns, both immediate and remote, of such dissolved entity are made respondents herein. Each of the parties designated as a trustee in Exhibit "A" is being made a respondent if presently acting in such capacity as trustee, and if any such party is not presently acting in such capacity as trustee, then the unknown successor or successors to such trustee are made respondents herein.

2. Allegations of Fact:

2.1. The available geological data indicates that the W/2 of Section 20, Township 2 North, Range 8 West of the IM, Stephens County, Oklahoma is wholly or substantially underlain by the Hoxbar formation, as a common accumulation of hydrocarbons, being prospectively gas productive, separate and distinct from and not in communication with any other common accumulation of oil and/or gas. In the interest of securing the greatest ultimate recovery of oil and gas, preventing the various types of waste and protecting correlative rights, the initial boundaries of the Hoxbar common source of supply of gas should be established so as to cover and include said W/2 of Section 20, which area should be formed as a horizontal 320-acre drilling and spacing unit for such formation underlying such area.

2.2. Attached to this application as Exhibit "B" and made a part hereof is a plat showing the drilling and spacing unit requested, together with any drilling and spacing units abutting or overlapping the area herein sought to be spaced.

3. Legal Authority: The relief sought by this application is authorized by Tit. 52, Okla. Stat., Section 87.1.

4. Relief Sought: Applicants request the Corporation Commission of Oklahoma enter an order, to be effective as of the date of the execution thereof or as of a date prior thereto, as follows:

(i) Establishing the initial boundaries of the Hoxbar common source of supply of gas so as to cover and include the W/2 of Section 20, Township 2 North, Range 8 West of the IM, Stephens County, Oklahoma, which area should be formed as

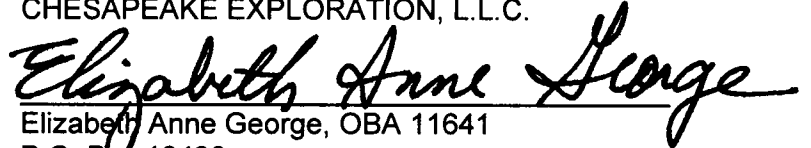
OKLA CORP COM RECEIPT 092190039  
Date: 10/01/2008 Time: 10:21  
Case: 200806961 CD Cashier: YWS  
Payor: CHESAPEAKE OPERATING, INC.  
Check: 1228  
71 OIL & GAS TRANSP FEE  
\$100.00

a horizontal 320-acre drilling and spacing unit for such formation underlying such area, with the permitted well for the unit to be located not less than 660 feet from the unit boundaries; and

(ii) Granting such other and further relief as may be proper based upon the evidence presented at the hearing herein.

DATED this 30<sup>th</sup> day of September 2008.

CHESAPEAKE OPERATING, INC. and  
CHESAPEAKE EXPLORATION, L.L.C.

A handwritten signature in black ink that reads "Elizabeth Anne George". The signature is written in a cursive style and is positioned above the printed name and address.

Elizabeth Anne George, OBA 11641  
P.O. Box 18496

Oklahoma City, OK 73154-0496

Physical address

6100 N. Western Avenue (73118)

(405) 879-1558

(405) 879-1473 (facsimile)

anne.george@chk.com

ATTORNEY FOR APPLICANTS

**EXHIBIT "A"**

- |                                                                                                                                                                                                                                         |                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <p>1. BancFirst, Duncan, Oklahoma, successor by mergers to The Security National Bank &amp; Trust Co. of Duncan, Oklahoma, as Trustee of Trust D-1 created u/lw&amp;t of Lawrence L. Humphreys<br/>PO Box 1468<br/>Duncan, OK 73534</p> | <p>16. Berniece Kincy a/k/a Lorraine Berniece Kincy<br/>c/o Donald R. Kincy<br/>PO Box 456<br/>Lowell, AR 72745</p> |
| <p>2. BancFirst, Duncan, Oklahoma, successor by mergers to The Security National Bank &amp; Trust Co. of Duncan, Oklahoma, as Trustee of Trust D-2 created u/lw&amp;t of Lawrence L. Humphreys<br/>PO Box 1468<br/>Duncan, OK 73534</p> | <p>17. Donald R. Kincy<br/>PO Box 456<br/>Lowell, AR 72745</p>                                                      |
| <p>3. BancFirst, Duncan, Oklahoma, trustee of Ann L. Radcliffe Trust<br/>PO Box 1468<br/>Duncan, OK 73534</p>                                                                                                                           | <p>18. Gene Dale Kincy<br/>PO Box 456<br/>Lowell, AR 72745</p>                                                      |
| <p>4. BancFirst, Duncan, Oklahoma, trustee of Lawrence L. Humphreys, Jr. Trust<br/>PO Box 1468<br/>Duncan, OK 73534</p>                                                                                                                 | <p>19. Dennis Malcome Kincy<br/>PO Box 456<br/>Lowell, AR 72745</p>                                                 |
| <p>5. Doris D. Owen, now Bickel a/k/a Doris Bickel<br/>2324 Valetta Lane<br/>Louisville, KY 40205</p>                                                                                                                                   | <p>20. Doyle Wayne Kincy<br/>7304 Monroe Ct<br/>Des Moines, IA 50322</p>                                            |
| <p>6. Father Flanagans Boys Home<br/>14100 Crawford Rd<br/>Ohaha, NE 68010</p>                                                                                                                                                          | <p>21. Jewell Mofley<br/>300 Innis Free Circle Apt B-7<br/>Rogers, AR 72758</p>                                     |
| <p>7. Margery L. Puzin &amp; Robert L. Puzin, Trustees of Margery Puzin Revocable Trust<br/>Po Box 3004<br/>Estes Park, CO 80517</p>                                                                                                    | <p>22. Robert E. Mofley<br/>1101 Collins Rd<br/>Ozark, MO 65721</p>                                                 |
| <p>8. Masonic Charity Foundation<br/>PO Box 2406<br/>Edmond, OK 73083</p>                                                                                                                                                               | <p>23. Clyde M. Price a/k/a Clyde Price<br/>2805 CR 222 N<br/>Henderson, TX 75652</p>                               |
| <p>9. Roy E. Cooper, Jr.<br/>PO Box 42284<br/>Oklahoma City, OK 73123</p>                                                                                                                                                               | <p>24. Arinda B. Crowell<br/>2805 CR 222 N<br/>Henderson, TX 75652</p>                                              |
| <p>10. Stahl Petroleum Company<br/>1602 Terrace Dr<br/>Duncan, OK 73533</p>                                                                                                                                                             | <p>25. Jeffrey M. Price<br/>2805 CR 222 N<br/>Henderson, TX 75652</p>                                               |
| <p>11. Enersource Royalty Corp.<br/>PO Box 27888<br/>Scottsdale, AZ 85255</p>                                                                                                                                                           | <p>26. John F. Price, Jr., a/k/a John Price<br/>500 Mockingbird Lane<br/>Longview, TX 75601</p>                     |
| <p>12. Nadine Hankins a/k/a Nadine L. Hankins<br/>4525 N 71st St.<br/>Urbandale, IA 50322</p>                                                                                                                                           | <p>27. Joe Wayne Price, a/k/a Joe Price<br/>2006 N 4th St<br/>Longview, TX 75601</p>                                |
| <p>13. Mitchell L. Hankins<br/>PO Box 145<br/>Lowell, AR 72745</p>                                                                                                                                                                      | <p>28. Roy B. Price<br/>c/o Maxine Van Dyke<br/>Rt 2 Box 497<br/>Comanche, OK 73429</p>                             |
| <p>14. Pamela J. Goodwin<br/>PO Box 145<br/>Lowell, AR 72745</p>                                                                                                                                                                        | <p>29. Kenneth Price<br/>c/o Melody Thompson or Marva Price<br/>PO Box 334<br/>Marlow, OK 73055</p>                 |
| <p>15. Dueana L. Johnson<br/>PO Box 145<br/>Lowell, AR 72745</p>                                                                                                                                                                        | <p>30. Marva Price s/p/a Marva Rafliff<br/>PO Box 81<br/>Marlow, OK 73055</p>                                       |
|                                                                                                                                                                                                                                         | <p>31. Melody Thompson<br/>PO Box 334<br/>Marlow, OK 73055</p>                                                      |
|                                                                                                                                                                                                                                         | <p>32. Maxine Van Dyke<br/>Rt 2 Box 497<br/>Comanche, OK 73529</p>                                                  |

Chesapeake Operating, Inc. and  
Chesapeake Exploration, L.L.C.  
Cause CD No. 200806961

- |     |                                                                                                             |     |                                                                                                                                           |
|-----|-------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------|
| 33. | Gerald Price<br>c/o Martha Price<br>338 S 8th St<br>Duncan, OK 73533                                        | 49. | GMS Energy LLC<br>PO Box 720823<br>Oklahoma City, OK 73172                                                                                |
| 34. | Martha Price, now Martha Ochoa<br>338 S 8th St<br>Duncan, OK 73533                                          | 50. | MGAJA Properties<br>PO Box 1622<br>Abilene, TX 79604                                                                                      |
| 35. | William W. Price a/k/a William Price<br>3115 Fareway Lane<br>Mt. Pleasant, TX 75206                         | 51. | Snyder Properties, LLC<br>PO Box 720823<br>Oklahoma City, OK 73172                                                                        |
| 36. | Sabio Mineral Joint Venture<br>5646 Milton St Suite 305<br>Dallas, TX 75206                                 | 52. | MAGMA<br>Maurita G Ammons Trst<br>PO Box 1622<br>Abilene, TX 79604                                                                        |
| 37. | Karen W. Hall<br>1606 S. 14th<br>Rogers, AR 72758                                                           | 53. | The Federal Land Bank of Wichita<br>c/o Farm Credit Services of East Central<br>Oklahoma, FLCA<br>509 W Paul St<br>Pauls Valley, OK 73075 |
| 38. | Ashlee Oil & Gas L.L.C.<br>1680 SW 86th<br>Oklahoma City, OK 73159                                          | 54. | The William K. Warren Foundation<br>c/o Roy D. Johnson, Attorney<br>324 Main Mall, Suite 900<br>Tulsa, OK 74103                           |
| 39. | Ashlee Oil & Gas L.L.C.<br>10444 Greenbriar Place<br>Oklahoma City, OK 73159                                | 55. | US Agbank FCB<br>245 N Waco<br>PO Box 2940<br>Wichita, KS 67201                                                                           |
| 40. | CLV Oil & Gas, Inc. a/k/a C.L.V. Oil & Gas,<br>Inc.<br>PO Box 690713<br>Tulsa, OK 74169                     | 56. | RLJ Investment, Inc.<br>PO Box 1359<br>Osage Beach, MO 65065                                                                              |
| 41. | Combined Resources Corp.<br>PO Box 3128<br>Edmond, OK 73083                                                 |     |                                                                                                                                           |
| 42. | HOG Partnership LP<br>5950 Cedar Springs Rd #242<br>Dallas, TX 75235                                        |     |                                                                                                                                           |
| 43. | Marathon Oil Company<br>PO Box 68<br>5555 San Felipe<br>Houston, TX 77056                                   |     |                                                                                                                                           |
| 44. | Questar Exploration and Production<br>Company<br>2601 NW Expressway, Suite 1200E<br>Oklahoma City, OK 73112 |     |                                                                                                                                           |
| 45. | JMK, Trustee F/A/O Melvin W. Jackson<br>8131 LBJ, Suite 840<br>Dallas, TX 75251                             |     |                                                                                                                                           |
| 46. | Elm Grove, LLC<br>14313 N. May Ave, Suite 100<br>Oklahoma City, OK 73134                                    |     |                                                                                                                                           |
| 47. | Flame Royalties, Inc.<br>PO Box 702281<br>Tulsa, OK 74170                                                   |     |                                                                                                                                           |
| 48. | Milford Corporation<br>PO Box 721423<br>Oklahoma City, OK 73172                                             |     |                                                                                                                                           |

PREPARED BY: PANGAEA, INC. THIS DOCUMENT MAY BE PHOTOCOPIED, ELECTRONICALLY SCANNED & DISTRIBUTED  
FREELY. THE ENTIRE CONTENT OF THIS DOCUMENT IS THE WORK PRODUCT OF PANGAEA, INC. & IS NOT TO BE  
ALTERED OR CHANGED IN ANY MANNER WITHOUT THE EXPRESS PERMISSION OF PANGAEA, INC.

W/2 of Section 20, Township 2 North, Range 8 West of the IM, Stephens County

EXHIBIT “B”

W2 OF 20 & ALL CONTIGUOUS SPACING (INSOFAR AS TO ENCOMPASS  
S2 17, SE 19, E2 19, ALL 20, N2 29, NE 30) AS OF 9/26/2008

18-2N-8W	17-2N-8W
(1)	(3) (22)
(2)	(4) (23)
(3)	(5) (24)
(15)	(7) (29)
(16)	(8) (30)
(19)	(9) (32)
(27)	(11) (33)
(34)	(12) (36)
(39)	(13) (38)
(44)	(14) (39)
	(15) (40)
	(18) (44)
	(19) (45)
	(20) (46)
19-2N-8W	20-2N-8W
(1)	(4) (23)
(2)	(5) (24)
(3)	(7) (29)
(6)	(9) (32)
(15)	(10) (33)
(16)	(11) (38)
(19)	(12) (39)
(25)	(13) (40)
(27)	(14) (43)
(30)	(15) (45)
(34)	(18) (46)
(39)	(19)
(44)	(20)
	(22)
30-2N-8W	29-2N-8W
(3) (41)	(3) (34)
(11) (42)	(4) (35)
(17) (44)	(10) (37)
(19)	(11) (39)
(21)	(14) (41)
(25)	(17) (42)
(26)	(19) (44)
(28)	(21)
(30)	(25)
(31)	(26)
(34)	(28)
(35)	(30)
(37)	(31)
(39)	(33)

FORMATIONS	ACRES	TYPE	ORDER	LANDS AFFECTED
(1) 1ST DEESE CONGLOMERATE	640	GAS	269892	ALL 18, 19
(2) 1ST SPRINGER	640	GAS	269892	ALL 18, 19
(3) ARBUCKLE	640	GAS	269892	ALL 18, 19
	640	GAS	416994	ALL 29, 30
	320 'SU'	GAS	527028	W2 17

<u>FORMATIONS</u>	<u>ACRES</u>	<u>TYPE</u>	<u>ORDER</u>	<u>LANDS AFFECTED</u>
(4) BATEMAN	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
	160	GGC	311113	NW 29
(5) BEGGS	160	GAS	299086	SE 17, NE 20
(6) BOOTH SAND	40	O & G	38336	SE 19
(7) BRISCOE	160	GAS	299086	SE 17, NE 20
(8) CANEY	160	GAS	512001	SW 17
(9) COLINE	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
(10) COOPER	160	GGC	302378	W2 20
	160	GGC	311113	NW 29
(11) DEESE	160	GAS	299086	SE 17, NE 20
	640	GAS	416994	ALL 29, 30
	160	GAS	512001	SW 17
(12) DYER	160	GAS	299086	SE 17, NE 20
(13) HEATH	160	GAS	299086	SE 17, NE 20
(14) HELMS	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
	160	GGC	311113	NW 29
(15) HOXBAR	40	O & G	20414	SW 17, S2 & NW 20
	320 'LD'	GGC	271308	S2 18, N2 19
	320 'LD'	GAS	535184	S2 19
	640 (1)	GGC	556703	ALL 19
	640 (2)	GGC	559079	ALL 18
(16) HUNTON LIME	640	GAS	269892	ALL 18, 19
(17) HUNTON-SYLVAN	640	GAS	416994	ALL 29, 30
(18) LOWER BOOTH	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
(19) LOWER CISCO	40	O & G	20414	SW 17, SE 20
	320 'LD'	GGC	271308	S2 18, N2 19
	640	GAS	416994	ALL 29, 30
	320 'LD'	GAS	535184	S2 19
(20) LOWER COOPER	160	GAS	333635	SE 17, NE 20
(21) LOWER HOXBAR	640	GAS	416994	ALL 29, 30
(22) LOWER SEARS	40	OIL	302378	W2 20
LOWER SEARS SAND	40	OIL	300394	SE 17, NE 20
(23) MARCHAND	160	GAS	299086	SE 17, NE 20
(24) MARLOW CISCO UNIT			67518	S2 SW & W2 SE 17, E2 NW & NE & NE SW 20
(25) MIDDLE CISCO	640	GAS	416994	ALL 29, 30
	320 'LD'	GAS	535184	S2 19
(26) MIDDLE HOXBAR	640	GAS	416994	ALL 29, 30
(27) MISSISSIPPIAN	640	GAS	269892	ALL 18, 19

Chesapeake Operating, Inc. and  
Chesapeake Exploration, L.L.C.  
Cause CD No. 200806961

<u>FORMATIONS</u>	<u>ACRES</u>	<u>TYPE</u>	<u>ORDER</u>	<u>LANDS AFFECTED</u>
(28) MORROW	640	GAS	416994	ALL 29, 30
(29) NILES	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
(30) PERMIAN	40	OIL	299445	SE 19
	640	GAS	416994	ALL 30
	160	GGC	424210	SW 17
	640	GAS	445974	ALL 29
(31) REAGAN	640	GAS	416994	ALL 29, 30
(32) ROWE	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
(33) RUEL-BLAKE	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
	160	GGC	311113	NW 29
(34) SIMPSON	640	GAS	269892	ALL 18, 19
	640	GAS	416994	ALL 29, 30
(35) SPRINGER	640	GAS	416994	ALL 29, 30
(36) SYCAMORE	160	GAS	512001	SW 17
(37) SYCAMORE-WOODFORD	640	GAS	416994	ALL 29, 30
(38) UPPER BOOTH	160	GAS	299086	SE 17, NE 20
	160	GGC	302378	W2 20
(39) UPPER CISCO	40	O & G	20414	SW 17, SE 20
	320 'LD'	GGC	271308	S2 18, N2 19
	640	GAS	416994	ALL 30
	160	GAS	445974	NW 29
	320 'LD'	GAS	535184	S2 19
(40) UPPER COOPER	160	GAS	333635	SE 17, NE 20
(41) UPPER DORNICK HILLS	640	GAS	416994	ALL 29, 30
(42) UPPER HOXBAR	640	GAS	416994	ALL 29, 30
(43) UPPER SEARS	40	OIL	302378	W2 20
UPPER SEARS SAND	40	OIL	300394	SE 17, NE 20
(44) VIOLA	640	GAS	416994	ALL 29, 30
	160	GAS	512001	SW 17
VIOLA LIME	640	GAS	269892	ALL 18, 19
(45) WADE	160	GAS	299086	SE 17, NE 20
(46) WEST MARLOW HOXBAR UNIT			63794	SE & S2 SW 17, NE & E2 NW & NE SW & N2 SE 20

(1) HORIZONTAL UNIT. INTERIM ORDER DATED 7/15/2008.

(2) HORIZONTAL UNIT. INTERIM ORDER DATED 9/4/2008.

ORDER 416994 WAS CORRECTED BY ORDER 445279.

ORDER 445974 WAS CORRECTED BY ORDER 537391.

ORDER 535184 WAS CORRECTED BY ORDER 537391.