

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE EXPLORATION, LLC FOR AN)
ORDER ESTABLISHING TWENTY SIX (26)) Cause No. _____
DRILLING AND SPACING UNIT FOR THE)
NIOBRARA FORMATION IN ELBERT) Docket No. _____
COUNTY, COLORADO)

APPLICATION

Chesapeake Exploration, LLC (“Applicant”), by and through its undersigned attorneys, submits this Application to the Colorado Oil and Gas Conservation Commission (“Commission”) for an order establishing twenty six (26) 640-acre drilling and spacing units for horizontal well development of the Niobrara Formation in the following lands:

Township 6 South, Range 63 West, 6th P.M.
Section 31: All

Township 7 South, Range 63 West, 6th P.M.
Section 6: All

Township 6 South, Range 64 West, 6th P.M.
Section 2, 11-12, 34-36

Township 7 South, Range 64 West, 6th P.M.
Sections 1-3, 5, 7, 9, 12, 15-19, 29, 34: All

Township 6 South, Range 65 West, 6th P.M.
Sections 26, 36: All

Township 7 South Range 66 West, 6th P.M.
Section 8: All

Elbert County, (“Application Lands”).

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a company duly authorized to conduct business in Colorado, and has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the Application Lands.
3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands. Since there are no Commission orders specifically applicable to the development of the Niobrara Formation, wells drilled on said lands are

subject to Rule 318 – Location of Wells. Under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.

4. Applicant requests the right to drill a horizontal well to and in the Niobrara Formation in the drilling and spacing unit to be established pursuant to this Application, with the treated interval of the wellbore to be no closer than 600 feet from the proposed unit boundaries (regardless of lease lines within the unit).

5. That in order to promote efficient drainage of the Niobrara Formation underlying the application lands, to prevent waste, and to protect correlative rights, the Commission should establish the approximate 640-acre drilling and spacing unit as requested herein for the drilling of a horizontal well in said unit. The drilling and spacing unit of the specified size and configuration is not smaller than the maximum area that can be economically and efficiently drained by one well.

6. That according to the information and belief of the Applicant, the names and addresses of the interested parties hereto are set forth in Exhibit A; and the undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2011, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's petition as set forth above.

Dated this ____ day of June, 2011.

BEATTY & WOZNIAK, P.C.

By: _____
William A. Keefe
Kenneth A. Wonstolen
Elizabeth Y. Gallaway
216 Sixteenth Street, Suite 1100
Denver, Colorado 80202-5155
303-407-4499

Applicant's Address:
P.O. 18496
Oklahoma City, OK 73154

VERIFICATION

STATE OF OKLAHOMA)
)
OKLAHOMA COUNTY) ss.

Nick Watkins, of lawful age, being first duly sworn upon oath, deposes and says that he is District Landman for Chesapeake Exploration, LLC, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Nick Watkins, District Landman

Subscribed and sworn to before me this ____ day of June, 2011.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A
Interested Parties

Chesapeake Exploration LLC
6100 N Western
Oklahoma City, Oklahoma 73154

OOGC America, Inc (c/o CNOOC International Ltd)
P.O. Box 4705, No. 25 Chaoyangmenbei Dajie
Dongcheng District, Beijing, 100010, P.R. China

Kamran Mohager and Minoo Mohager
7470 Patrick Trail
Elizabeth, CO 80107

Mara Baber and Kyle Baber, joint tenants
7151 Patrick Trail
Elizabeth, CO 80107

Samuel Gary, Jr. and Associates, Inc.
1515 Wynkoop, Suite 700
Denver, CO 80202

Chesapeake Exploration LLC
P.O. Box 18496
Oklahoma City, OK 73154

Chang, Steve
42130 County Road 29
Elizabeth, CO 80107

Dicciardello, R.G and Dicciardello, Teri L.
1291 Carlson Road
Parker, CO 80138

Dorman, John T. and Dorman, Shellane D.
1968 Carlson Road
Parker, CO 80138

Knight, Louis K. and Knight, Pamela M.
1979 Carlson Road
Parker, CO 80138

Barber, Marlys
40369 Ferns Road
Elizabeth, CO 80107

Cruciotti Family Living Trust
40260 County Road 013
Elizabeth, CO 80107

Faut, Mark E. and Sheryl H.
42255 Kingmil Circle
Elizabeth, CO 80107

Pyper, Laura L.
40236 Ferns Road
Elizabeth, CO 80107

Ristinen, Calvin A.
00456 Verdos Drive
Elizabeth, CO 80107

Smith, Wayne E.
40189 Margaret Drive
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Stableford, LB Estate c/o Pacific Bank Trustee
P. O. Box 782555
Wichita, KS 67278

Sylvarness, Jean A.
P. O. Box 2285
Parker, CO 80134-2285

Wesley, Daniel B. and Wesley, Jacqueline A.
40207 Ferns Road
Elizabeth, CO 80107

Duvall, James E. and Duvall, Jill L.
40753 County Road 021
Elizabeth, CO 80107

Buhl, James F and Buhl, D. Kelli
40502 Blue Bell Trail
Elizabeth, CO 80107

Burleson, Roy S. and Burleson, Georgia A.
698 Santa Fe Trail
Elizabeth, CO 80107

Crosier, Ingrid K and Crosier, Jeffrey B
5203 Blue Bell Trail
Elizabeth, CO 80107

Giorno, David C
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Elizabeth, CO 80107

Historic Equity Five, LLC
730 17th St., Suite #200
Denver, CO 80202

Ketter, Linda H.
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Andreasen, Donald and Connie Andreasen
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Elizabeth, CO 80107

Eugene S. Chapman and Doris Chapman
39300 Private Road 017
Elizabeth, CO 80107

Hoagland Family Trust
4003 Highway 87
Banner, WY 82832

Miller, Vernon R.
07433 S. County Road 157
Strasburg, CO 80136

Schulz, Paul H.
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Franktown, CO 80116

Snead, Sherry H. and Scott Snead
39773 County Road 021
Elizabeth, CO 80107

Stableford, LB Estate c/o Pacific Bank Trustee
PO Box 782555
Wichita, KS 67278

Cowan, Walter M. and Gail M.
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Elizabeth, CO 80107

Jatkauskas, Curtis J. and Jennifer B. Stringer
39500 Jo Circle
Elizabeth, CO 80107

Kelly, Arthur W.
39540 County Road 13
Elizabeth, CO 80107

Murad, Julie Revocable Trust
39520 County Road 13
Elizabeth, CO 80107

Stableford, LB Estate c/o Pacific Bank Trustee
P O Box 782555
Wichita, KA 67278

Greenhaw, James G.
9602 S. 25th Avenue
Bellvue, NE 68147

L.B. Stableford Estate, C/O Pacific Bank Trustee
P.O. Box 782555
Wichita, KS 67278

Martinez, William J., III
39330 Jo Circle
Elizabeth, CO 80107

Stone, John G.
39470 Jo Circle
Elizabeth, CO 80107

Carrell, Scott Benjamin
37890 Winook Circle
Elizabeth, CO 80107

Dejongh Living Trust
37895 Winook Circle
Elizabeth, CO 80107

GFL and Associates, L.L.C.
19751 East Mainstreet, Suite 334
Parker, CO 80138

Graber, Scott Gene, Trust
04370 County Road 154
Elizabeth, CO 80107

Guercio, Jack and Guercio, Faye
3360 Madonna Drive
San Jose, CA 95117

Hill, Norlene J.
37631 County Road 21
Elizabeth, CO 80107

Knowlton, Mark Gerald
04436 County Road 154
Elizabeth, CO 80107

Montgomery, James E. and Montgomery, Tonya S.
37910 Winook Circle
Elizabeth, CO 80107

Steines, William J., The Trust
37433 County Road 21
Elizabeth, CO 80107

Baber, Mara and Kyle Baber
7151 Patrick Trail
Elizabeth, CO 80107

GFL and Associates, LLC
19751 East Main Street, Suite 334
Parker, CO 80138

Mohager, Kamran and Minoo Mohager
7470 Patrick Trail
Elizabeth, CO 80107

Perez, Jean-Ivez
60000 Wild Horse Trail
Elizabeth, CO 80107

Samuel Gary, Jr. and Associates, Inc.
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Denver, CO 80202

Vogt, Bertha, et al, c/o Dorothy B. Belisle
200 Baltic Circle, #212
Redwood Shores, CA 94065

Cordsen, John and Joette Cordsen
2470 Driftwood Circle
Elizabeth, CO 80107

Henry, David T. and Kimberly Taylor Henry
2430 Driftwood Circle
Elizabeth, CO 80107

Stableford, LB Estate c/o Pacific Bank Trustee
P O Box 782555
Wichita, KA 67278

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Kent Kuster
Colorado Department of Public Health and
Environment
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Denver, CO 80246-1530

Richard L. Miller
Community & Development Services
Po Box 7
Kiowa, CO 80117

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE EXPLORATION, LLC FOR AN)
ORDER ESTABLISHING A DRILLING AND) Cause No. _____
SPACING UNIT FOR THE NIOBRARA)
FORMATION IN LARIMER COUNTY,) Docket No. _____
COLORADO)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

William A. Keefe, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Chesapeake Exploration, LLC and that on or before June ____, 2011, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

William A. Keefe

Subscribed and sworn to before me June __, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public