

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

**RULE 37 & 38 CASE NO. 0252782
DISTRICT 10**

**APPLICATION OF CHESAPEAKE
OPERATING, INC. FOR AN EXCEPTION
TO STATEWIDE RULES 37 AND 38 TO
DRILL THE BARKLEY LEASE, WELL
NO. 3701, TEXAS HUGOTON FIELD,
SHERMAN COUNTY, TEXAS.**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on October 19, 2007, 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 the application of Chesapeake Operating, Inc., for an exception permit under the provisions of Statewide Rules 37 and 38 to drill the Barkley Lease, Well No. 370-1 in the Texas Hugoton Field, Sherman County, Texas 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 three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion 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 order is served on the parties.

Done this 9th day of September, 2008.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

COMMISSIONER ELIZABETH A. JONES

ATTEST:

SECRETARY