

BLANCHARD, WALKER, O'QUIN & ROBERTS

(A PROFESSIONAL LAW CORPORATION)

1400 BANK ONE TOWER, 400 TEXAS STREET
SHREVEPORT, LOUISIANA 71101
TELEPHONE (318) 221-6858 TELECOPIER (318) 227-2967
bwor@bwor.com

MAILING ADDRESS:
POST OFFICE DRAWER 1126
SHREVEPORT, LOUISIANA 71163-1126

NEWTON G. BLANCHARD (1922)
ELIAS GOLDSTEIN (1962)
HENRY C. WALKER (1963)
ARTHUR O'QUIN (1972)
WILTON H. WILLIAMS, JR. (1975)
LEON O'QUIN (1979)
JOSEPH W. MILNER (1989)
ROBERT ROBERTS, JR. (1991)
CLYDE W. THURMON (1992)
PIKE HALL, JR. (1999)
MARLIN RISINGER, JR. (2002)

JOHN T. COX, JR.
W. MICHAEL ADAMS
WM. TIMOTHY ALLEN III
REGINALD E. CASSIBRY, P.C.
J. DAVID GARRETT
CECIL W. TALLEY
M. THOMAS ARCENEAUX
ROBERT W. JOHNSON
PAUL M. ADRINS
LESLIE IDOM KALMBACH
GARY H. LOVE
F. MICHAEL CARMODY
KIMBERLY D. BELANGER
CLINTON S. SIMON

OF COUNSEL
GILBERT L. HETHERWICK
ROBERT ROBERTS III
NEILSON S. JACOBS

December 15, 2003

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

Re: HEARING APPLICATION
Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Formation, Reservoir A
Elm Grove Field
Bossier Parish, Louisiana
Our File No. 430071.0050

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Hosston Formation, Cotton Valley Formation, and the Lower Cotton Valley Formation, Reservoirs A, in the Elm Grove Field, Bossier Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize the Questar Exploration and Production Company - Jacobs 34 No. 3-Alt., and the Questar Exploration and Production Company - Jacobs 34 No. 4-Alt., at the locations shown on the plat attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972, Order No. 361-B, effective October 1, 1973, and Order No. 361-E, effective July 16, 1996, as alternate unit wells for HOSS RA SU1, CV RA SU1, and LCV RA SUX, respectively.
2. To permit the applicant to drill, designate and utilize the Questar Exploration and Production Company - Marshall 34 No. 3-Alt. Well, Questar Exploration and

Production Company - Gibbs 34 No. 1 - Alt., and Questar Exploration and Production Company - Ponder 34 No. 3-Alt., at the locations shown on the plat attached hereto, as alternate unit wells for HOSS RA SU1, CV RA SU1, and LCV RA SUX, respectively.

3. To permit the applicant to drill, designate and utilize the Questar Exploration and Production Company - Morris 33 No. 2 -Alt., Questar Exploration and Production Company - Holland 33 No. 5 Alt., and Questar Exploration and Production Company - Brown 33 No. 1-Alt., at the locations shown on the plat attached hereto, as alternate unit wells for HOSS RA SU2, CV RA SU2, and LCV RA SUW, respectively.
4. To permit the applicant to drill, designate and utilize the Questar Exploration and Production Company - Richardson 31 No. 2-Alt. Well, at the location shown on the plat attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972, Order No. 361-B, effective October 1, 1973, and Order No. 361-E, effective July 16, 1996, as an alternate unit well for HOSS RA SU4, CV RA SU4, and LCV RA SUU, respectively.
5. To permit the applicant to drill, designate and utilize the Questar Exploration and Production Company - Rowell 31 No. 2-Alt. Well, at the location shown on the plat attached hereto, as an alternate unit well for HOSS RA SU4, CV RA SU4, and LCV RA SUU, respectively.
6. To explicitly find that the abovesaid wells are necessary to drain a portion of the Hosston Formation, Cotton Valley Formation, Lower Cotton Valley Formation, Reservoirs A, in the Elm Grove Field underlying HOSS RA SU1, CV RA SU1, LCV RA SUX, HOSS RA SU2, CV RA SU2, LCV RA SUW, HOSS RA SU4, CV RA SU4 and LCV RA SUU, respectively, which cannot be efficiently and economically drained by any existing well in such units.
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series.

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The Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully redefined in Office of Conservation Order No. 361-E-99, effective May 20, 2003, insofar as to LCV RA SUU, LCV RA SUW and LCV RA SUX.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$6,795.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III

Attorneys for Questar Exploration and Production Company

WTAIH/bp
Enclosures

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

