

# HARGROVE, SMELLEY & STRICKLAND

JOSEPH L. HARGROVE, JR.  
DAVID L. SMELLEY  
PAUL A. STRICKLAND  
GLENN L. LANGLEY  
LOUISE F. PEARCE  
JONATHAN R. RABURN

OF COUNSEL  
WILLIAM G. CONLY

(A PROFESSIONAL LAW CORPORATION)  
AMERICAN TOWER, SUITE 600  
401 MARKET STREET  
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS  
POST OFFICE BOX 59  
SHREVEPORT, LOUISIANA 71161-0059  
TELEPHONE (318) 429-7200  
TELECOPIER (318) 429-7201

September 28, 2005

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, and Hosston  
Formation, Reservoir A, BETHANY-LONGSTREET  
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and to the Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SU77.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Applicant as Operator of the proposed additional unit, and to authorize Applicant to drill, designate and utilize the unit well for this unit at the location shown on an attached plat, in exception to the spacing provisions of Office of Conservation Order No. 289-J, effective March 1, 1974.
4. To authorize Applicant to drill, designate and utilize five (5) alternate unit wells for CV RA SU77 and four (4) additional alternate unit wells for HOSS SU13, at the locations shown on the attached plats.
5. To approve exceptions to the spacing provisions of Office of Conservation Order No. 289-J, effective March 1, 1974 (applicable to the Cotton Valley Formation, Reservoir A), and Office

of Conservation Order No. 289-A-g-3, effective October 7, 1977 (applicable to the Hosston Formation, Reservoir A), for the locations of any of the proposed alternate unit wells, as shown on the attached plats, which do not comply with the spacing provisions contained in such Orders.

6. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the hydrocarbons underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

7. To permit the Operator of the units on which these alternate unit wells are proposed to be drilled to produce the allowables assigned to such units from either the unit well, any alternate unit well, or from any combination of such wells, at the option of the Operator.

8. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation in any well located on CV RA SU77 and HOSS SU13 in which the ownership interests in these units are identical.

9. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977. The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect any such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated September 14, 2005, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set October 7, 2005, as the tentative date for the pre-application conference. No request for the pre-application conference was received within ten (10) days after the date of said letter; accordingly, no pre-application conference was held.

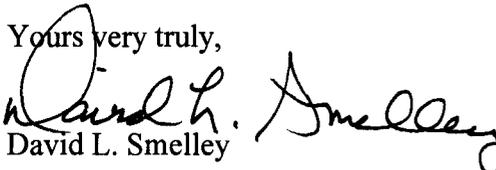
Honorable James H. Welsh  
September 28, 2005  
Page 3

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the unit plats attached to the pre-application notice except for revision of the proposed unit nomenclature from CV RA SU75 to CV RA SU77) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

  
David L. Smelley

-- Attorney for Nelson Energy, Inc.

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encl.)  
Mr. Danny Moreland (w/encl.)  
Mr. Joe B. Adams (w/encl.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)

17

20

22

### CV RA SU XX

### CV RA SU LL

### CV RA SU 77

### CV RA SU MM

### CV RA SU ZZ

### CV RA SU YY

## T 13 N - R 15 W

### LEGEND

-  EXISTING UNIT BOUNDARIES
-  PROPOSED UNIT BOUNDARY
-  UNIT WELLS
-  ALTERNATE UNIT WELLS
-  PROPOSED UNIT WELL
-  PROPOSED ALT UNIT WELLS

ONLY WELLS > 6500' TD SHOWN

NELSON ENERGY, INC.  
SHREVEPORT, LOUISIANA

# BETHANY LONGSTREET FIELD DeSOTO PARISH, LOUISIANA PROPOSED UNIT, UNIT WELL, & ALTERNATE UNIT WELLS CV RA SU 77

DATE:

WITNESS: JOE B. ADAMS



17

### HOSS SU 17

### HOSS SU 11

### HOSS SU 13

### HOSS SU 48

20

21

22

### HOSS SU 32

### HOSS SU 31

### HOSS SU 56

# T 13 N - R 15 W

## LEGEND

-  EXISTING UNIT BOUNDARIES
-  UNIT WELLS
-  ALTERNATE UNIT WELLS
-  SUBSTITUTE UNIT WELLS
-  PROPOSED ALT UNIT WELLS

ONLY WELLS > 8500' TD SHOWN

NELSON ENERGY, INC.  
SHREVEPORT, LOUISIANA

## BETHANY LONGSTREET FIELD

DeSOTO PARISH, LOUISIANA

# PROPOSED ALTERNATE UNIT WELLS

## HOSS SU 13

DATE:

WITNESS: JOE B. ADAMS

