

BOB F. ANDERSON, PE, INC.
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August 17, 2006

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Additional Units
Lower Cotton Valley Zone, Reservoir A
And Proposed Downhole Combination
Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A &
Lower Cotton Valley Zone, Reservoir A
Elm Grove Field
Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, Elm Grove Field, Caddo Parish, Louisiana:

FOR THE LOWER COTTON VALLEY ZONE, RESERVOIR A:

1. To establish two (2) additional 640 +/- acre drilling and production unit for the exploration for and the production of gas and condensate for the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana, such units to be designated L CV RA SU105 and LCV RA SU106, and shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To a unit operator and unit well where applicable.
4. To extend the provisions of the 361-E Series of Office of Conservation Orders and other applicable Statewide Orders to the proposed Lower Cotton Valley Zone, Reservoir A, units being proposed herein.

FOR THE HOSST ZONE, RESERVOIR A, THE COTTON VALLEY FORMATION, RESERVOIR A, AND THE LOWER COTTON VALLEY ZONE, RESEVOIR A:

1. To permit the down hole combination of production from the Hosston Zone, Reservoir A, the Cotton Valley Zone, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, in the units designated HOSS RA SU87, CV RA SU103 and the proposed LCV RA SU106 and HOSS RA SU93, CV RA SU88 and the proposed LCV RA SU105, providing the ownership in each unit is identical.
2. To consider and cover such other matters as the Commissioner of Conservation may deem and appropriate.

The Lower Cotton Valley Zone, Reservoir A, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996, the Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders and the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders in the Elm Grove Field, Bossier, Caddo and Bienville Parishes, Louisiana.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A pre-application conference was held on August 14, 2006, and a list of the parties attending the conference is attached. The proposed application was discussed by the undersigned and by Mr. Kevin Byram, Geologist, and several questions were asked by landowners and other parties concerning the drilling, completion and operation of the well after completion. Mr. Jeff Weiss, Attorney for O'Bello. LLC and Earnest O. O'Brien, reserved his right to file a counter plan.

All parties please take note, the attached unit plat for the proposed LCV RA SU105 has been slightly modified from the plat attached to the Pre-Application Notice and which was also shown at the pre-application conference, to conform with the unit outline for the existing HOSS RA SU93 and CV RA SU88.

Hon. James H. Welsh
Elm Grove Field
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Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation and a copy of this letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

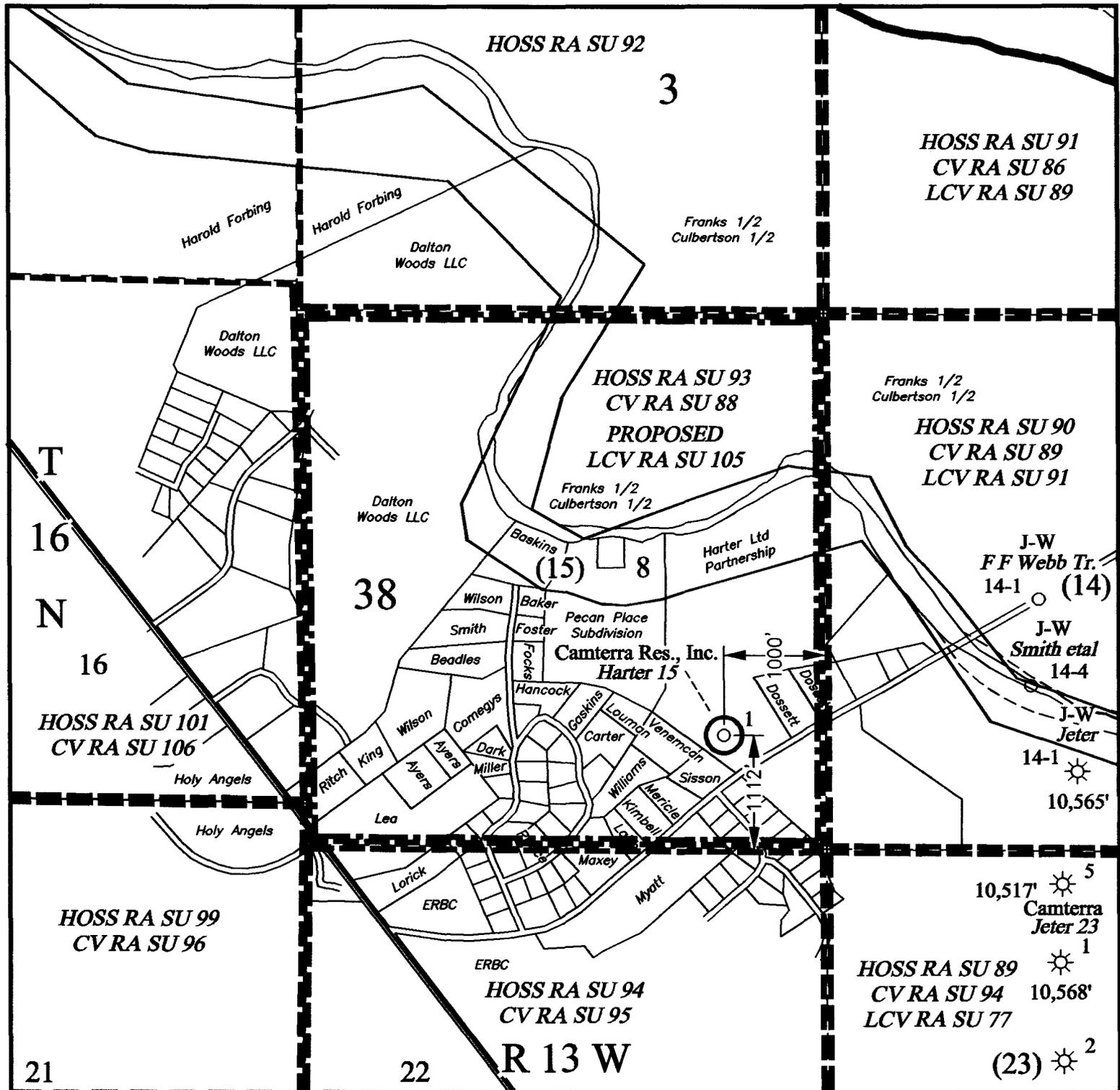
Attached is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

A handwritten signature in black ink, appearing to read "B. F. Anderson", written over a horizontal line.

B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (w/plats)
Camterra Resources, Inc. (w/encl.)



CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDOPARISH, LOUISIANA

UNIT PLAT
PROPOSED LCV RA SU 105

--- : EXISTING UNITS - - - : PROPOSED LCV RA SU 105

○ : PROPOSED LOCATION

