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OF COUNSEL
WILLIAM G. CONLY

November 7, 2006

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

Re: APPLICATION FOR PUBLIC HEARING.

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

Dear Sir:

PEOPLES ENERGY PRODUCTION-TEXAS, L.P. ("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 Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize one (1) additional alternate unit well for HOSS RA SU2, four (4) alternate unit wells for HOSS RA SU4 and two (2) additional alternate unit wells for HOSS RA SU46, at the locations shown on the attached plat.
2. To approve an exception to the spacing provisions of Office of Conservation Order No. 289-A-g-3, effective October 7, 1977, for the location of any of the proposed wells, as shown on the attached plat, which does not comply with the spacing provisions contained in such Order.
3. 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.
4. 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.
5. 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 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 Peoples Energy Production-Texas, L.P., 1301 McKinney, Suite 3200, Houston, Texas

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77010. Any person wishing to inspect such data should call Mr. Bradley J. Rome at (713) 890-3652 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 Office of Conservation can be obtained from Applicant at the expense of the requesting party.

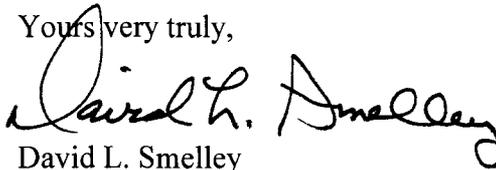
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid 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 this letter, and of the attached plat, 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 the enclosed plat, 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 Peoples Energy Production-Texas, L.P.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Bradley J. Rome (w/encls.)
Mr. Craig Barclay (w/encls.)
Mr. David Harmon (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

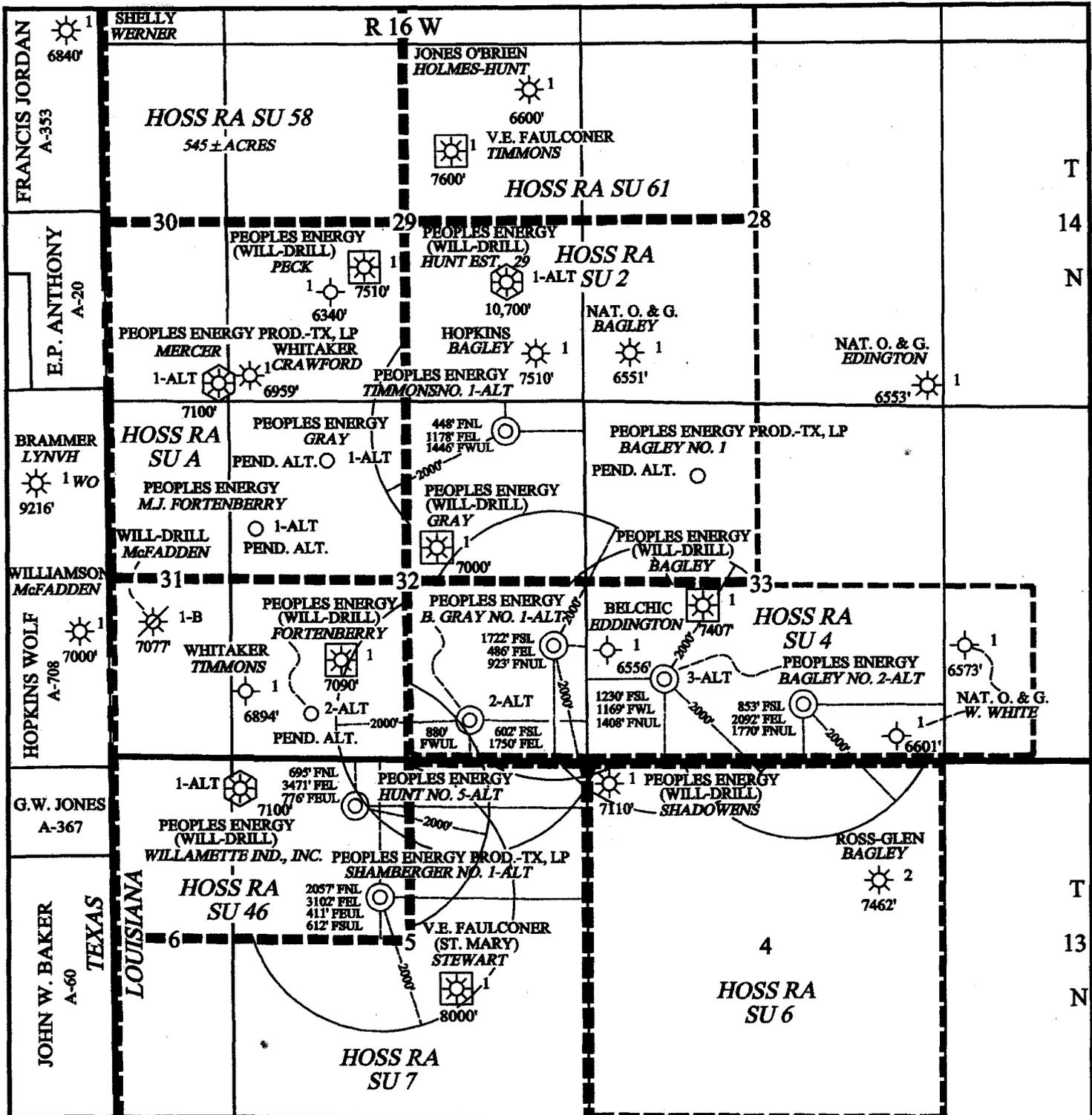


EXHIBIT NO. 1

DOCKET NO. 06-

PEOPLES ENERGY PRODUCTION-TEXAS, L.P.
HOUSTON, TEXAS

BETHANY-LONGSTREET FIELD
DE SOTO PARISH, LOUISIANA

**PROPOSED ALTERNATE UNIT WELLS FOR
HOSSTON RESERVOIR A SAND UNITS**

-  : PROPOSED ALTERNATE UNIT WELLS FOR HOSS RA SAND UNITS
-  : EXISTING UNIT WELLS FOR HOSS RA SAND UNITS
-  : EXISTING HOSS RA SAND UNITS
-  : EXISTING ALTERNATE UNIT WELLS FOR HOSS RA SAND UNITS



GRAPHIC SCALE