

BOB F. ANDERSON, PE, INC.
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January 27, 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 Alternate Unit Well
Upper Hosston Formation
U HOSS SUH
West Arcadia Field
Bienville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SMITH OPERATING AND MANAGEMENT COMPANY**, (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 Upper Hosston Formation, West Arcadia Field, Bienville Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize an additional alternate unit well for the production of gas and condensate from the Upper Hosston Formation in the unit designated U HOSS SUH, West Arcadia Field, Bienville Parish, Louisiana, in exception to the spacing provisions of the 692 Series of Office of Conservation Orders, such unit and well shown on the attached plat and being made a part hereof.
2. To find that an alternate unit well is needed on the U HOSS SUH to assist in the drainage of the Upper Hosston Formation that cannot be drained by any other well located within the unit.
3. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit well or from a combination of all wells at its discretion.
4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

Hon. James H. Welsh
West Arcadia Field
2

The Upper Hosston Formation in the West Arcadia Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No. 692, effective April 1, 1965.

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.**

The subject matter of this application does not require a pre-application notice.

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 and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Our check, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
SMITH OPERATING AND MANAGEMENT COMPANY

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties
Smith Operating and Management Company

R 6 W

SUF

U HOSS SUE

EL PASO JONES



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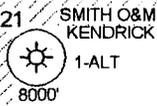
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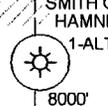
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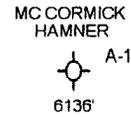
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SMITH O&M KENDRICK
1-ALT
8000'



SMITH O&M HAMNER
1-ALT
8000'



MC CORMICK HAMNER
A-1
6136'

D.S. Kendrick



SMITH O&M SKINNER
1
7819'

D. White

Skinner

W.L. Hamner

CRYSTAL JONES



7835'



O'BRIEN JONES
1
7880'



SMITH O&M WILKINSON
1
7900'

A.L. James

H.C. Flemming

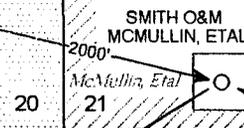


CRYSTAL HASSELL
1
11,021'

E. Johnson Est.

SUG

U HOSS SUH



SMITH O&M MCMULLIN, ETAL
1-ALT
2000'

McMullin, Etal

Hassell, Etal

+/- 640 ACRES

330' FSL & 1100' FWL

Ella Hassell, Etal

20

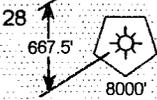
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SKLAR EXPL. CLOYD
1
8000'

667.5'

U HOSS SUK

T
18
N

EXISTING UNIT (UPPER HOSSTON)



EXISTING ALTERNATE UNIT WELL (U HOSS SUH)



PROPOSED ALTERNATE UNIT WELL (U HOSS SUH) AT AN EXCEPTIONAL LOCATION



FORMER UNIT WELL (U HOSS SUH)



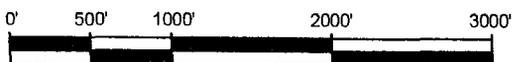
FORMER SUBSTITUTE UNIT WELL (U HOSS SUH)



UPPER HOSSTON WELL (ACTIVE)



UPPER HOSSTON WELL (INACTIVE)



SMITH OPERATING & MANAGEMENT

WEST ARCADIA FIELD

BIENVILLE PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION

U HOSS SUH; MCMULLIN, ETAL #1-ALT.

DOCKET NO. 06-

EXHIBIT NO.1