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OF COUNSEL
WILLIAM G. CONLY

September 24, 2007

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, and Cotton Valley
Formation, Reservoir C, CADDO-PINE ISLAND
FIELD, Caddo and Bossier Parishes, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("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, and to the Cotton Valley Formation, Reservoir C, in the Caddo-Pine Island Field, Caddo and Bossier Parishes, Louisiana:

1. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir C, such units being shown on an attached plat and being designated CV RC SUD through CV RC SUG.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units 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 redefine the Cotton Valley Formation, Reservoir C, in the Caddo-Pine Island Field, INsofar AND ONLY INsofar as to the four (4) additional units proposed herein for such formation, as the stratigraphic equivalent of that interval encountered between the depths of 7,572 feet and 10,090 feet (electrical log measurements) in the Mosbacher Energy Company--RC Eglin Heirs No. 1 Well, located in Section 19, Township 20 North, Range 13 West, Bossier Parish, Louisiana.
4. To designate an operator of, and unit wells for, the proposed additional units as may be appropriate.
5. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, and from the Cotton Valley Formation, Reservoir C, in any well drilled on any of the proposed additional units for the Cotton Valley Formation, Reservoir C, in which the interests in such unit are identical to the interests in the existing Hosston Formation, Reservoir A, units designated HOSS RA SUD, HOSS RA SUE, HOSS RA SUH or HOSS RA SUI, created by Office of Conservation Order No. 122-P, effective August 9, 1978, on which the well is located, said Hosston units being shown on an attached plat.
6. To redefine the Hosston Formation, Reservoir A, in the Caddo-Pine Island Field, INsofar AND ONLY INsofar as to the existing units designated HOSS RA SUD, HOSS RA

SUE, HOSS RA SUH and HOSS RA SUI, said units being shown on an attached plat, as the stratigraphic equivalent of that interval encountered between the depths of 5,527 feet and 7,572 feet (electrical log measurements) in the Mosbacher Energy Company--RC Eglin Heirs No. 1 Well, located in Section 19, Township 20 North, Range 13 West, Bossier Parish, Louisiana.

7. To confirm and continue in full force and effect the units designated HOSS RA SUD, HOSS RA SUE, HOSS RA SUH and HOSS RA SUI, as shown on an attached plat, as drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, in the Caddo-Pine Island Field, Caddo and Bossier Parishes, Louisiana, as proposed to be redefined herein.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 122-M, effective January 1, 1977, as amended and supplemented by the Order No. 122-M series of Orders, and of all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir C.

9. To discuss such other matters as may be pertinent to these proposals.

The Cotton Valley Formation, Reservoir C, in the Caddo-Pine Island Field, Caddo Parish, Louisiana, is currently defined in Office of Conservation Order No. 122-M, effective January 1, 1977.

The Hosston Formation, Reservoir A, in the Caddo-Pine Island Field, Caddo and Bossier Parishes, Louisiana, is currently defined in Office of Conservation Order No. 122-P, effective August 9, 1978.

Any pertinent data concerning this application will be available for inspection at the offices of Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 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.

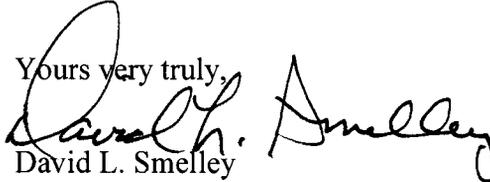
By letter dated September 12, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set October 4, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

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 showing the units proposed to be created and the units proposed to be redefined (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

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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 Caddo-Pine Island 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 J-W Operating Company

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Ms. Tanya Allen (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

