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BLANCHARD, WALKER, O'QUIN & ROBERTS
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June 15, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
Lower Cotton Valley Formation, Reservoir C
Upper Cotton Valley Formation, Reservoir A
Ruston Field
Lincoln Parish, Louisiana
Our File No. 450592.23

Dear Sir:

On behalf of CLAYTON WILLIAMS ENERGY, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir C, and Upper Cotton Valley Formation, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana:

1. To establish rules and regulations and create a single drilling and production unit (to be designated as LCV RC SUA), as shown on the plat attached hereto, for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir C, in the Ruston Field, Lincoln Parish, Louisiana;
2. To establish rules and regulations and create a single drilling and production unit (to be designated as UCV RA SUA), as shown on the plat attached hereto, for the exploration for and production of gas and condensate from the Upper Cotton Valley Formation, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana;
3. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
4. To provide that any future wells drilled to the Lower Cotton Valley Formation, Reservoir C or Upper Cotton Valley Formation, Reservoir A, within or outside of the unit created herein, should be located no closer than 660 feet to any unit line and no closer than 1,320 feet between wells drilling to, completed in, or for which a permit shall have been issued to the Lower Cotton Valley Formation, Reservoir C or Upper Cotton Valley Formation, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana.

5. To permit the downhole combination of the Lower Cotton Valley Formation, Reservoir C and Upper Cotton Valley Formation, Reservoir A, in the wellbore of any well drilled on LCV RC SUA and UCV RA SUA, in the Ruston Field, Lincoln Parish, Louisiana; and
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Formation, Reservoir C, in the Ruston Field, as used herein shall be defined as the stratigraphic equivalent of the Lower Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, as redefined in Office of Conservation Order No. 370-B-91, effective December 5, 2006, being that gas and condensate bearing sand encountered between the depths of 9,370 feet and 12, 370 feet (electrical log measurements) in the KCS Resources, Inc. (formerly Union Texas Petroleum Corporation) - Dowling No. 1 Well, located in Section 29, Township 19 North, Range 4 West, Lincoln Parish, Louisiana.

The Upper Cotton Valley Formation, Reservoir A, in the Ruston Field, as used herein shall be defined as the stratigraphic equivalent of the Lower Cotton Valley Formation, Reservoir A, in the Terryville Field, Lincoln Parish, Louisiana, as redefined in Office of Conservation Order No. 370-B-7, effective February 18, 1982, being that gas and condensate bearing sand encountered between the depths of 9,152 feet and 9, 370 feet (electrical log measurements) in the KCS Resources, Inc. (formerly Union Texas Petroleum Corporation) - Dowling No. 1 Well, located in Section 29, Township 19 North, Range 4 West, Lincoln Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A Pre-Application Conference was held at the offices of Cook, Yancey, King & Galloway, Suite 1700, AmSouth Tower, 333 Texas Street, Shreveport, Louisiana, on June 13, 2007 at 10:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological and other bases for its proposal, a general discussion ensued prior to adjournment.

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It is anticipated that the hearing regarding the captioned matter will be uncontested. KCS Resources, Inc., filed a counterplan which differs from the Applicant's proposal in that KCS proposed a unit in Hico-Knowles Field (LCV RA SUE), which encompasses the S/2 of Section 18 and the E/2 of Section 19, All in Township 19 North, Range 3 West, Lincoln Parish, Louisiana.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list, and to all Pre-Application Conference Attendees.

Very truly yours,

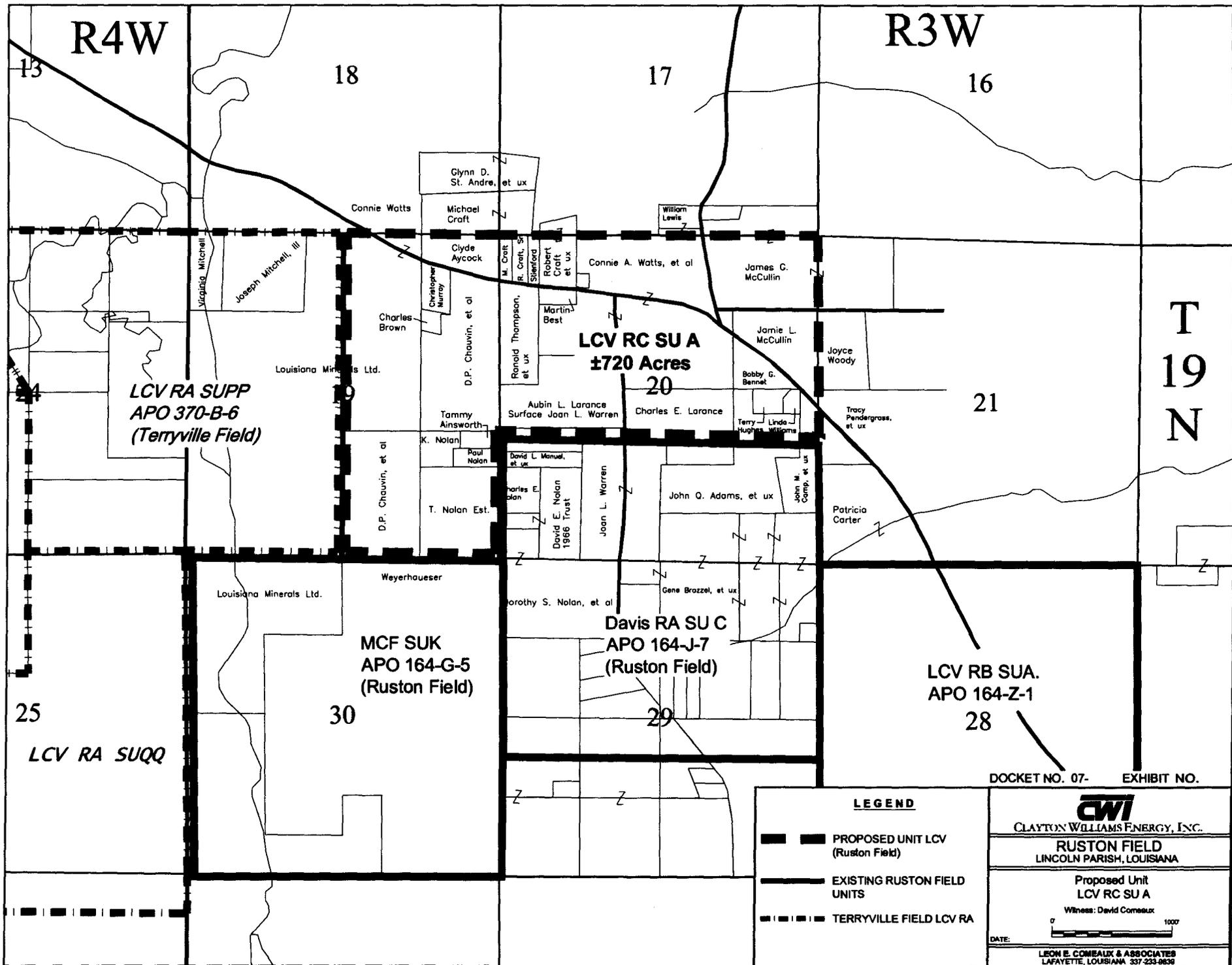
BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 

Wm. Timothy Allen III
Attorneys for Clayton/Williams Energy, Inc.

WTAll:kmw
Enclosures

- cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
- cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)
- cc: Pre-Application Conference Attendees



DOCKET NO. 07- EXHIBIT NO.

LEGEND

-  PROPOSED UNIT LCV (Ruston Field)
-  EXISTING RUSTON FIELD UNITS
-  TERRYVILLE FIELD LCV RA

CWI
 CLAYTON WILLIAMS ENERGY, INC.

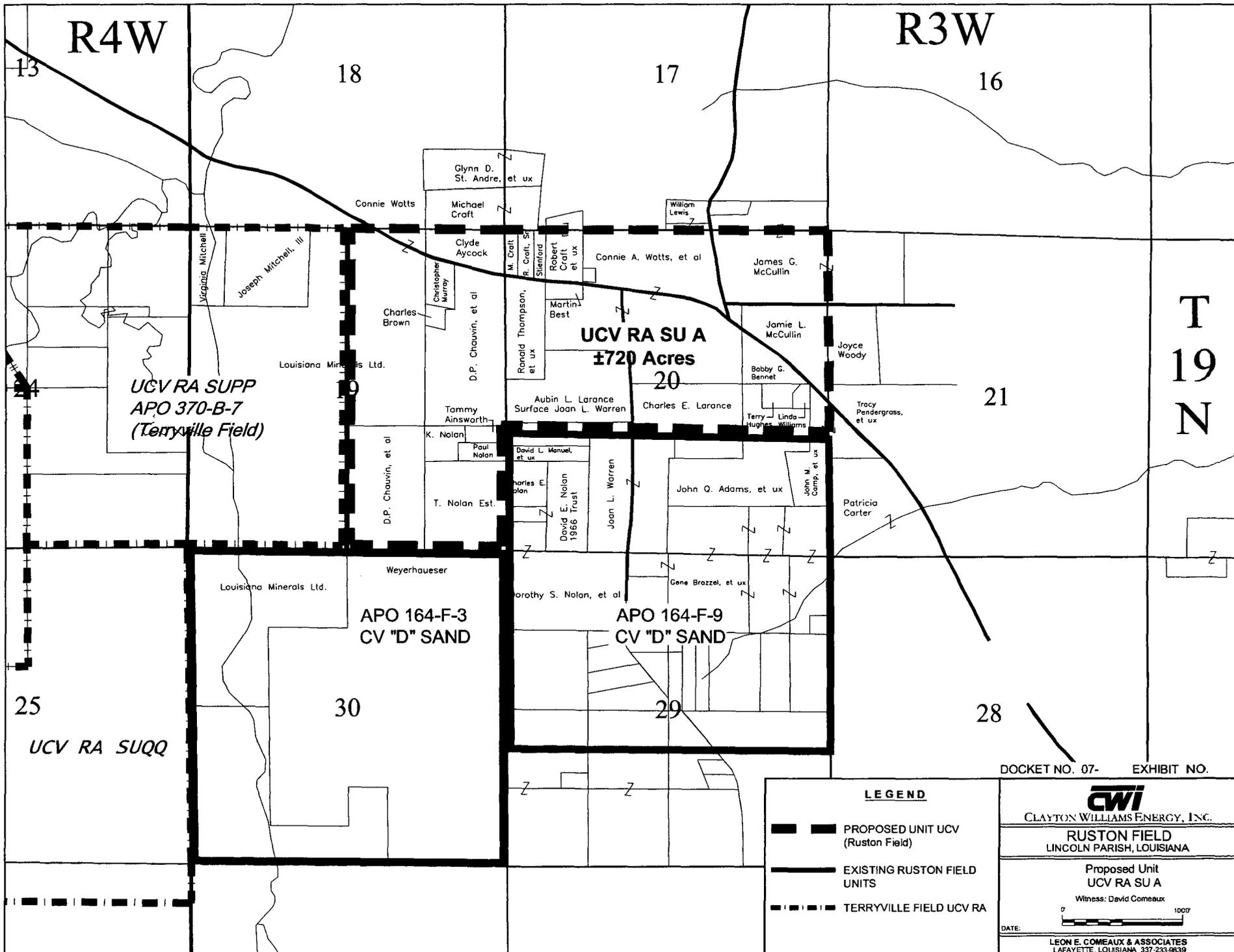
RUSTON FIELD
 LINCOLN PARISH, LOUISIANA

Proposed Unit
 LCV RC SU A

Witness: David Comeaux

DATE: 

LEON E. COMEAUX & ASSOCIATES
 LAFAYETTE, LOUISIANA 337-233-9838



DOCKET NO. 07- EXHIBIT NO.

LEGEND

-  PROPOSED UNIT UCV (Ruston Field)
-  EXISTING RUSTON FIELD UNITS
-  TERRYVILLE FIELD UCV RA

CWI
 CLAYTON WILLIAMS ENERGY, INC.

RUSTON FIELD
 LINCOLN PARISH, LOUISIANA

Proposed Unit
 UCV RA SU A

Witness: David Comeaux

DATE: _____

0 1000'

LEON E. COMEAUX & ASSOCIATES
 LAFAYETTE, LOUISIANA 337-233-9839