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June 6, 2008

OF COUNSEL  
WILLIAM G. CONLY

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 Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A; ELM GROVE FIELD, Caddo Parish, 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 Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; all in the Elm Grove Field, Caddo Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on the attached plat and being designated LCV RA SU111.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit 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 designate a unit operator of, and unit well for, the proposed unit as may be appropriate.
4. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Hosston Zone, Reservoir A; or any combination thereof, in the wellbore of any well drilled on the additional unit proposed herein, and on the existing units designated HOSS RA SU94 and CV RA SU95, in which the interests in the units are identical.

5. To redefine the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, insofar and only insofar as to the additional unit proposed herein, as being that gas and condensate bearing interval encountered between the depths of 10,030 feet and 12,100 feet (electrical log measurements) in the J-W Operating Company--Cohort Energy et al. 22 No. 1 Well, located in Section 22, Township 16 North, Range 13 West, Caddo Parish, Louisiana.

6. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit for the Lower Cotton Valley Zone, Reservoir A.

7. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

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

Any pertinent data concerning this application will be available for inspection at the offices of Mr. 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 May 6, 2008, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on June 5, 2008, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. During the presentation it was noted that Applicant was revising its proposals to redefine the Lower Cotton Valley

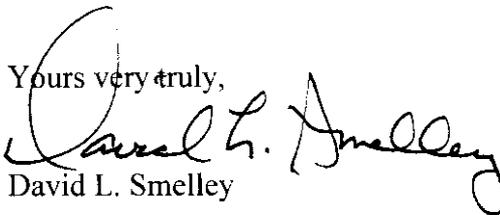
Honorable James H. Welsh  
June 6, 2008  
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Zone by using the recently drilled Cohort Energy et al. 22 No. 1 Well, located on the proposed unit, instead of the Baker No. 1 Well. Following this presentation there was a general question and answer period concerning the proposals of Applicant. Thereafter the conference was adjourned with no counterplan having been presented.

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 the unit plat (which is identical to the plat attached to the pre-application notice) is enclosed herewith, and 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 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 of 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 Elm Grove 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. James C. Broussard (w/encls.)  
Mr. Jerry Wooten (w/encls.)  
Mr. Michael Baca (w/encls.)  
Ms. Tanya Allen (w/encls.)  
Mr. Joe B. Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

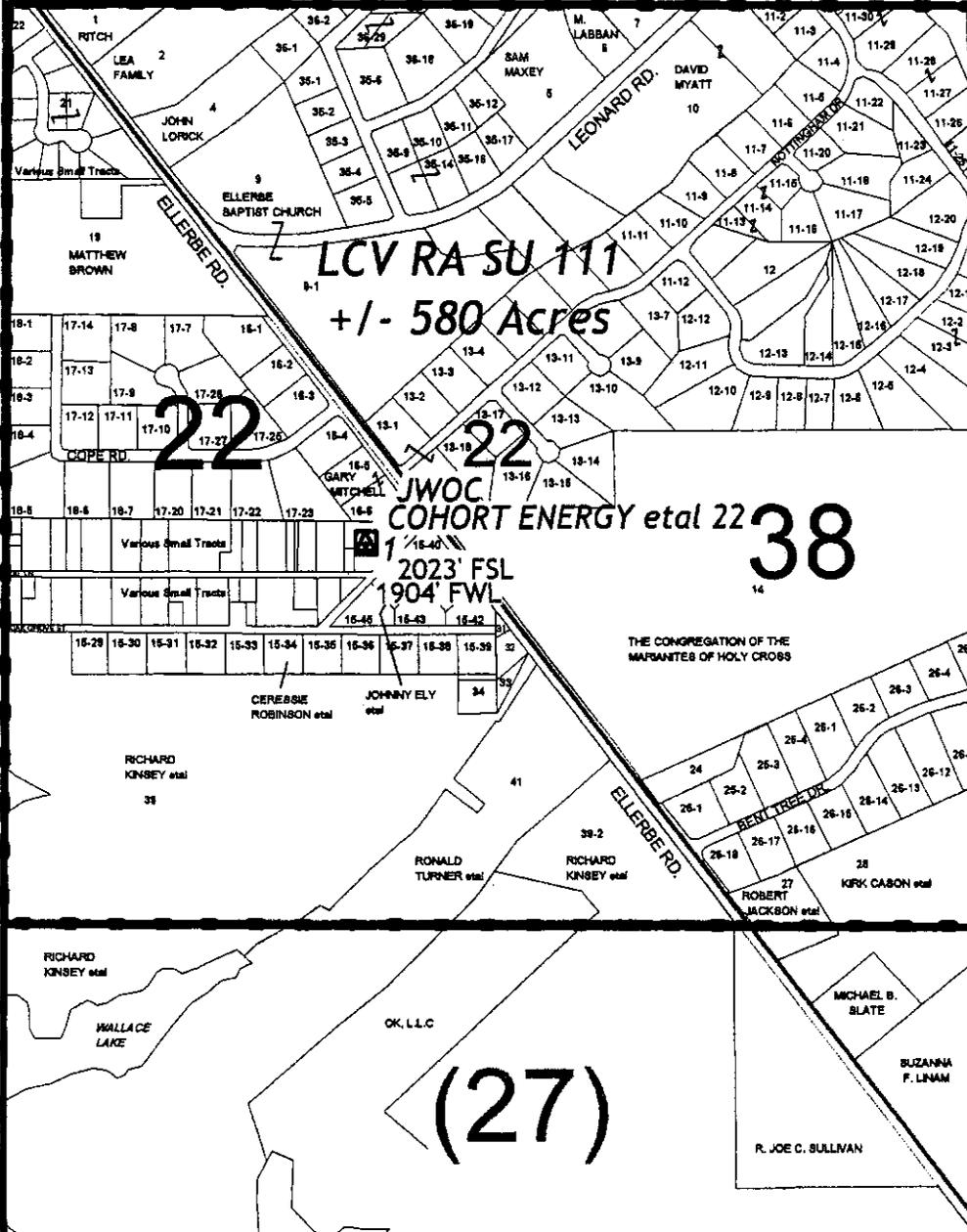
16N 13W  
CADD0 Ph.  
LCV RA SU 105  
**(15)**

CAMTERRA  
HARTER 15 # 1  
10720

JWOC  
JETER 14  
2-ALT

LCV RA  
SU 91

JWOC  
JETER 14  
1-ALT



CAMTERRA  
LINAM 23 # 1H  
13145

**(23)**  
LCV RA  
SU 77

LCV RA SU 111  
+/- 580 Acres

**22**

**22**

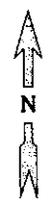
JWOC  
COHORT ENERGY et al **22**  
2023' FSL  
1904' FWL  
**38**

**(27)**

LCV RA  
SU 63  
**(26)**

LEGEND

- Existing Units 361-E Series
- Proposed LCV Unit
- Proposed Unit Well
- Approved Alternate Unit Well
- Posted Wells > 8300'



1000 0 1000 2000 3000 ft

1" = 1000'

J-WOPERATING COMPANY

ELM GROVE FIELD  
Caddo Parish, La.  
Unit Plat for Proposed LCV RA SU 111 &  
Re-Definition of Lwr. Cotton Valley Zone

Date:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 1000'	08-77