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When calling relative to this matter, refer to file No. 1740.

August 1, 2008

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

Re: Cotton Valley Formation,
Reservoir A
Haynesville Formation,
Reservoir B
Shongaloo Field
Webster Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

Nadel and Gussman, LLC hereby makes application pursuant to the revised rules of procedure of the Office of Conservation for a public hearing to consider evidence relating to the following matters pertaining to the Cotton Valley Formation, Reservoir A, and the Haynesville Formation, Reservoir B, in the Shongaloo Field, Webster Parish, Louisiana:

1. To create two additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Shongaloo Field, Webster Parish, Louisiana, to be designated CV RA SUE and CV RA SUF, as shown outlined on the plat attached hereto and made a part hereof;

2. To create two additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Formation, Reservoir B, in the Shongaloo Field, Webster Parish, Louisiana, to be designated HA RB SUF and HA RB SUG, as shown outlined on the plat attached hereto and made a part hereof;

3. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests located within the proposed 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;

4. To designate the Nadel and Gussman, LLC - Haynesville Mercantile 36 No. 1 Well as the unit well for CV RA SUE and HA RB SUF at the exceptional location shown on the attached plat and to designate Nadel and Gussman, LLC as operator of said units;

5. To extend the field rules established by applicable orders for the Cotton Valley Formation, Reservoir A, and the Haynesville Formation, Reservoir B, in the Shongaloo Field to the proposed units except to the extent inconsistent herewith;

6. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Cotton Valley Formation, Reservoir A, in the Shongaloo Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 165-C-1, effective July 9, 1998.

The Haynesville Formation, Reservoir B, in the Shongaloo Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 165-L-1, effective July 9, 1998.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Michael Fulford, 333 Texas Street, Suite 717, Shreveport, Louisiana 71101, at telephone number (318) 220-7074.

A Pre-Application Notice dated July 21, 2008, was circulated in connection with this matter. There was no request received for a conference in response to said notice; accordingly, no conference was held.

The list of parties attached to the copies of this application being sent to the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this notice, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Enclosed with the copy of this letter being sent to the Office of Conservation is a check for the application fee required for this matter.

Yours very truly,

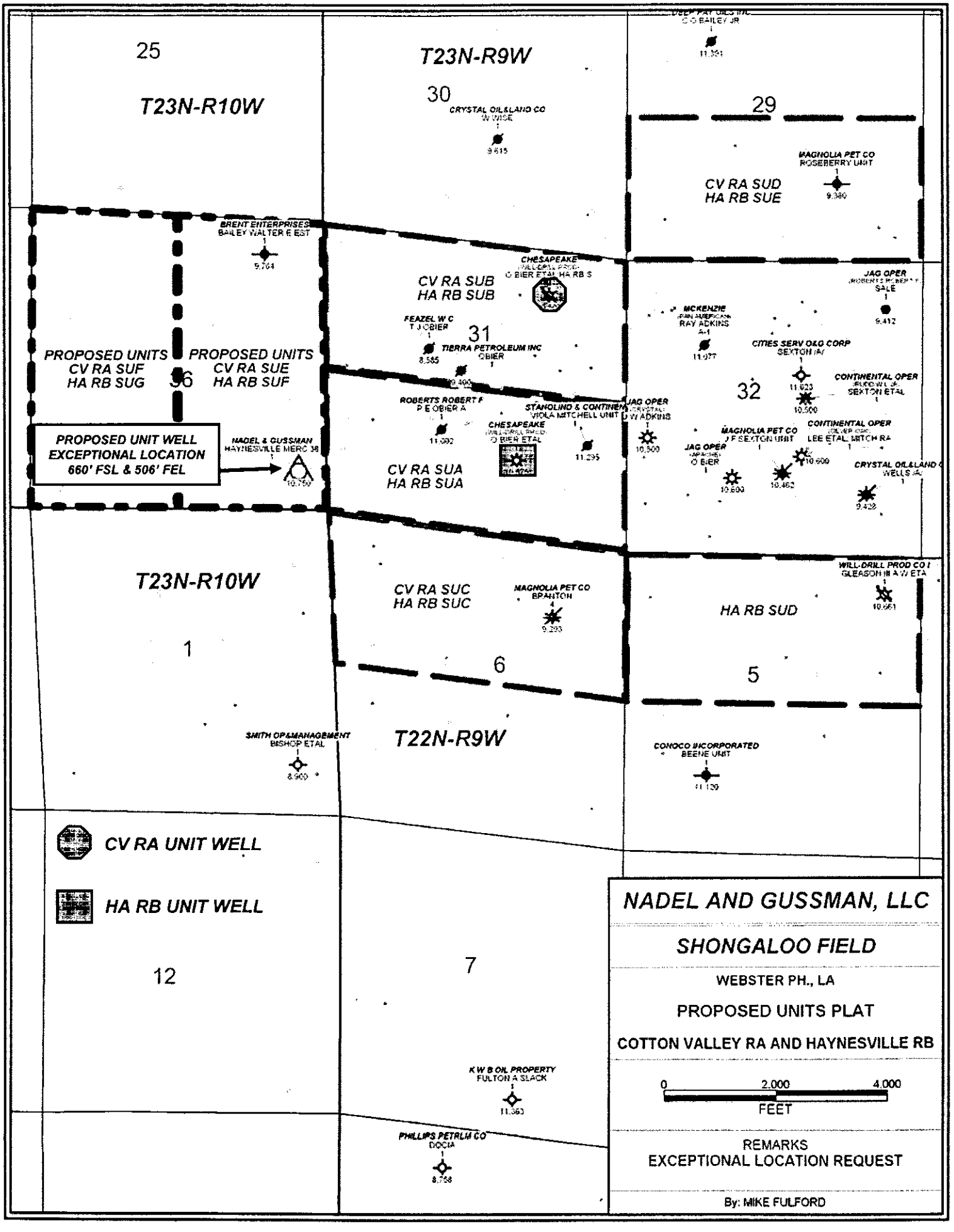
COOK, YANCEY, KING & GALLOWAY

J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Michael Fulford


25
T23N-R10W
T23N-R9W
30
CRYSTAL OIL&LAND CO
W WISE
29
MAGNOLIA PET CO
ROSEBERRY UNIT
CV RA SUD
HA RB SUE
BRENT ENTERPRISES
BAILEY WALTER E EST
CV RA SUB
HA RB SUB
CHESAPEAKE
O BIER ETAL HA RB S
FEAZEL W C
T J OBIER
31
TIERRA PETROLEUM INC
OBIER
JAG OPER
SALE
MCKENZIE
RAY ADKINS
CITIES SERV O&G CORP
SEXTON
PROPOSED UNITS
CV RA SUF
HA RB SUG
36
PROPOSED UNITS
CV RA SUE
HA RB SUF
32
CONTINENTAL OPER
SEXTON ETAL
ROBERTS ROBERT F
P E OBIER A
STANOLIND & CONTINEN
VIOLA MITCHELL UNIT
JAG OPER
D W ADKINS
CHESAPEAKE
O BIER ETAL
MAGNOLIA PET CO
J F SEXTON UNIT
CONTINENTAL OPER
LEE ETAL MITCH RA
JAG OPER
O BIER
CRYSTAL OIL&LAND
WELLS
PROPOSED UNIT WELL
EXCEPTIONAL LOCATION
660' FSL & 506' FEL
NADEL & GUSSMAN
HAYNESVILLE MERC 38
CV RA SUA
HA RB SUA
T23N-R10W
1
CV RA SUC
HA RB SUC
MAGNOLIA PET CO
BRANTON
6
HA RB SUD
5
WILL-DRILL PROD CO I
GLEASON III A W ETA
SMITH OP&MANAGEMENT
BISHOP ETAL
T22N-R9W
CONOCO INCORPORATED
BEENE UNIT
CV RA UNIT WELL
HA RB UNIT WELL
12
7
KW B OIL PROPERTY
FULTON A SLACK
PHILLIPS PETRLM CO
DOCIA
NADEL AND GUSSMAN, LLC
SHONGALOO FIELD
WEBSTER PH., LA
PROPOSED UNITS PLAT
COTTON VALLEY RA AND HAYNESVILLE RB
0
2,000
4,000
FEET
REMARKS
EXCEPTIONAL LOCATION REQUEST
By: MIKE FULFORD