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OF COUNSEL  
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July 31, 2008

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Haynesville Zone, Reservoir A, GREENWOOD-  
WASKOM FIELD, Caddo Parish, Louisiana.

Dear Sir:

ENCORE OPERATING LOUISIANA, L.L.C. (as successor in interest to Greystone Oil & Gas, L.L.P.) ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Haynesville Zone, Reservoir A, in the Greenwood-Waskom Field, Caddo Parish, Louisiana:

1. To create six (6) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such units being shown on the attached plat and being designated HA RA SUD through HA RA SUI.
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 designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
4. To propose that future wells drilled to the Haynesville Zone within or outside of the units proposed herein be located no closer than 330 feet to any unit line and no closer than 660 feet to any well completed in, drilling to or for which a permit has been granted to drill to the Haynesville Zone.
5. To extend, except as in conflict with these proposals, the provisions of Office of Conservation Order No. 270-MM, effective June 19, 2007, as amended and supplemented by the

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Order No. 270-MM series of Orders, and of all applicable Statewide Orders, to the additional units proposed herein.

6. To consider such other matters as may be pertinent to the Haynesville Zone, Reservoir A.

The Haynesville Zone, Reservoir A, in the Greenwood-Waskom Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 270-MM, effective June 19, 2007.

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 July 8, 2008, notice was given, in accordance with the Revised Rules of Procedure, of the 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 July 31, 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 this presentation it was noted that Encore Operating Louisiana, L.L.C., had acquired the interests of Greystone Oil & Gas, L.L.P., in this area and was assuming the position of Applicant. It was also noted that Applicant was amending its proposals to request spacing rules for the proposed units of 330' from unit lines and 660' between wells. Following this presentation there was a general question and answer period concerning the proposals of Applicant. During the question and answer period, there were a number of questions asked and concerns voiced about surface damages caused by prior operations in the area and about existing mineral leases in the area. As a result of those concerns, several attendees stated their intention to oppose the requests of Applicant. Thereafter the conference was adjourned.

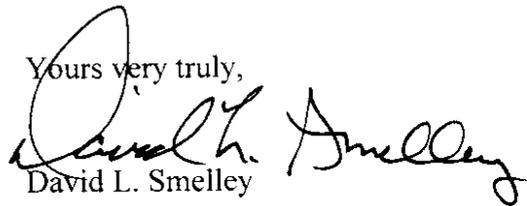
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the plat showing the units proposed to be created is

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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 Greenwood-Waskom 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 Encore Operating Louisiana,  
L.L.C.

DLS:dp  
Enclosures

cc: Mr. James C. Broussard (w/encls.)  
Mr. Matt Blackstock (w/encls.)  
Mr. Carl Drews (w/encls.)  
Mr. Joe Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

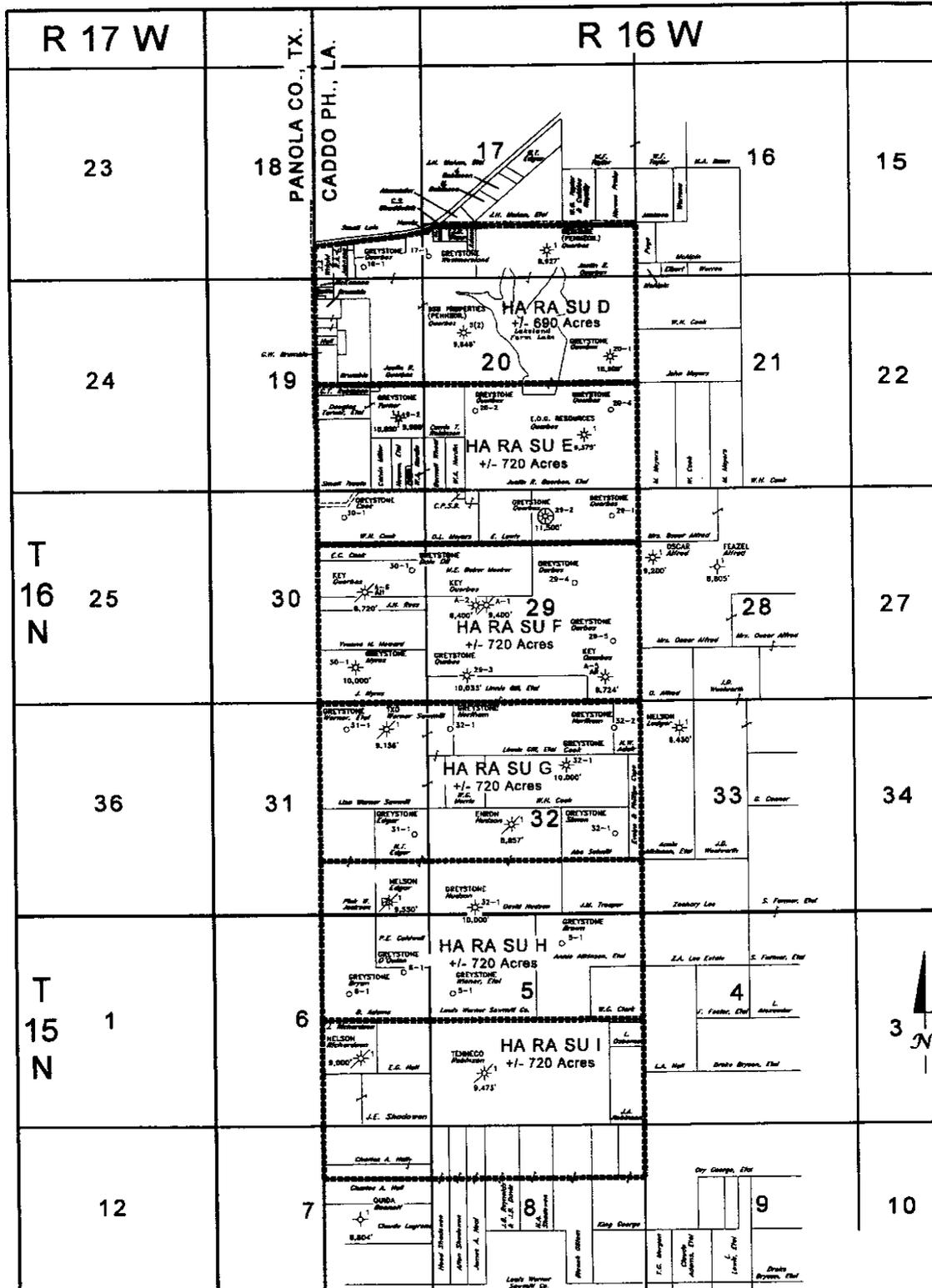


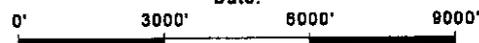
EXHIBIT No. DOCKET No.

**ENCORE OPERATING LOUISIANA, LLC**

**GREENWOOD - WASKOM FIELD  
CADDO PARISH, LOUISIANA**

**Proposed Units & Unit Well  
Haynesville Zone, Reservoir A**

Date:



Geology: JOE B. ADAMS

○ - PROPOSED UNIT WELL

----- - PROPOSED HA UNITS

NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.  
NOTE: ONLY WELLS BELOW 6,000' ARE SHOWN

