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September 4, 2008

OF COUNSEL
WILLIAM G. TERRY

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 A; CASPIANA FIELD, DeSoto
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 Formation, Reservoir A, and to the Cotton Valley Formation, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize three (3) additional alternate unit wells for HOSS RA SUT and for CV RA SUT, and two (2) additional alternate unit wells for HOSS RA SUFF and for CV RA SUFF, at the locations shown on the attached plats.
2. To approve exceptions to the spacing provisions of Office of Conservation Order No. 191-B, effective April 15, 1975 (applicable to the Hosston Formation, Reservoir A), and Office of Conservation Order No. 191-A, effective February 15, 1975 (applicable to the Cotton Valley Formation, Reservoir A), for any of the proposed wells, the location of which, as shown on the attached plats, does not comply with the spacing provisions in said Orders.
3. To find that each of the proposed wells is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying the units on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on these units.
4. To authorize the downhole combination of production from the Cotton Valley Formation, Reservoir A, and from the Hosston Formation, Reservoir A, in the wellbore of any well drilled on HOSS RA SUT and CV RA SUT, or on HOSS RA SUFF and CV RA SUFF, in which the ownership interests in the units from which production is to be combined downhole are identical.
5. To discuss such other matters as may be pertinent to this application.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, was defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

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The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, was defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

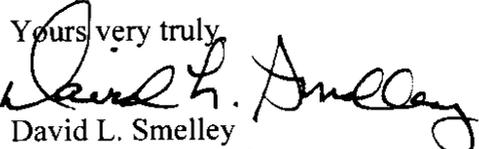
Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

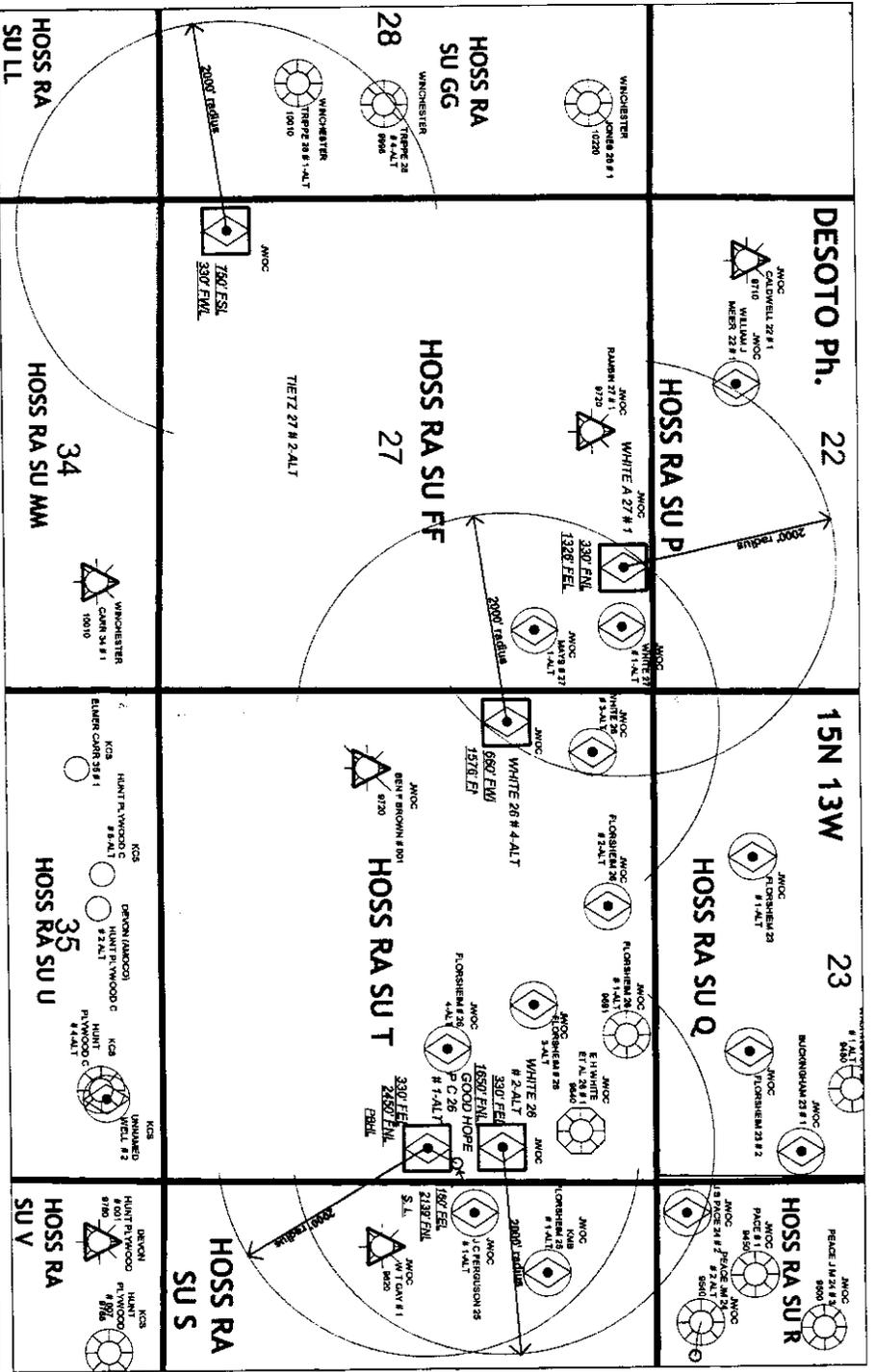
Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties.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

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and 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 Caspiana 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, we enclose a check payable to the Commissioner of Conservation for the application fee.

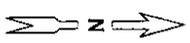
Yours very truly,

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.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



LEGEND

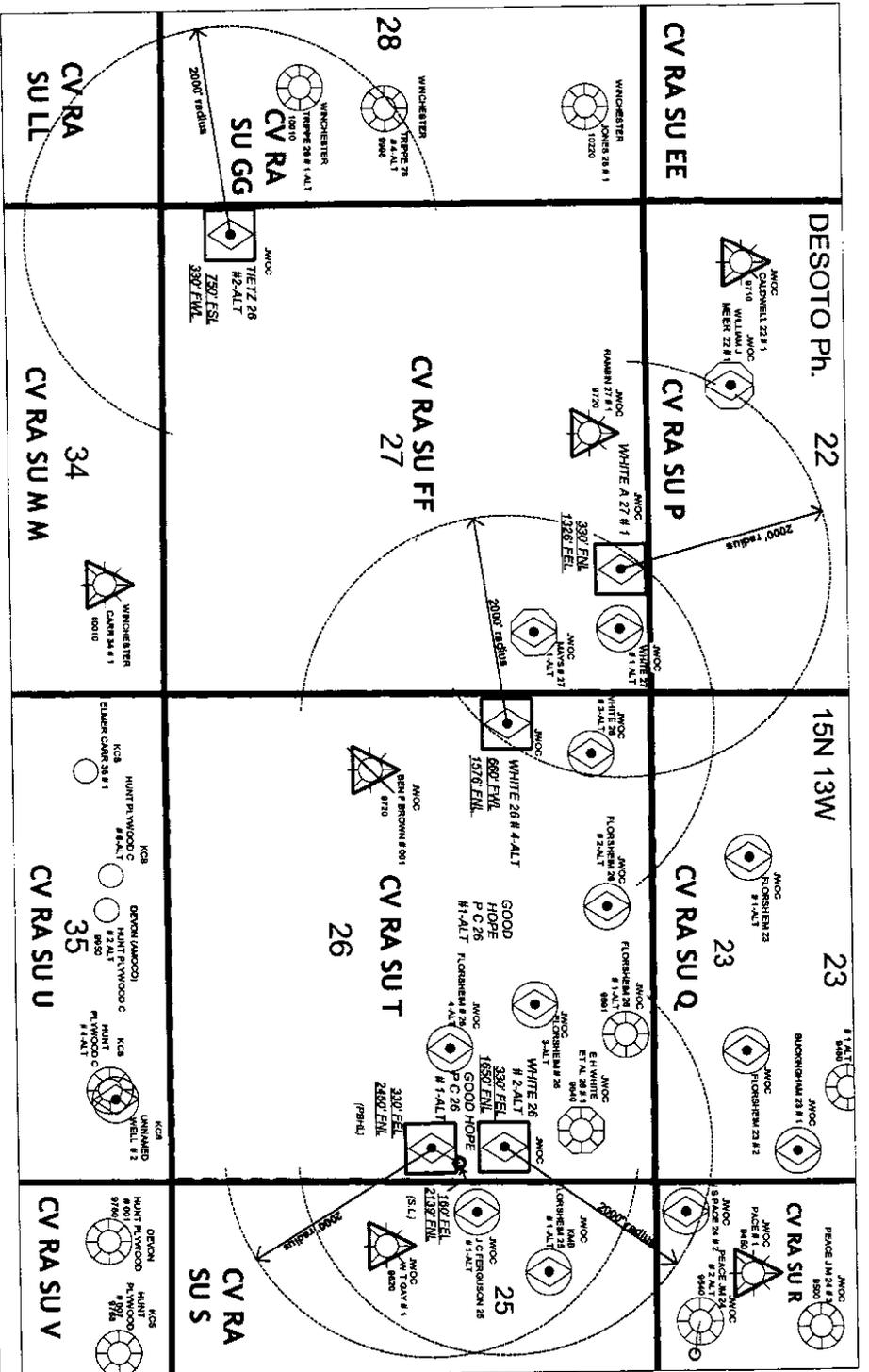
- Existing Units 191-B-Series
- ◻ Proposed Alternate Unit Well
- ◻ Approved Alternate Unit Well
- ⊙ Unit Well
- ⊙ Substitute Unit Well
- ⊙ Producing Alternate Unit Well
- ⊙ Permit Expired Locations
- Posted Wells > 6,000'



J-W OPERATING COMPANY

CASPIANNA FIELD
Desoto Parish, La.
UNIT PLAT - HOSSSTON ZONE

Date:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1"=2000'	08-7



LEGEND

- Existing Units 191-A Series
- ◻ Proposed Alternate Unit Well
- ◻ Approved Alternate Unit Well
- ◻ Unit Well
- ◻ Substitute Unit Well
- ◻ Producing Alternate Unit Well
- Permit Expired Locations
- Posted Wells > 6,000'

J-W OPERATING COMPANY

CASPIANA FIELD
Desoto Parish, La.
UNIT PLAT - COTTON VALLEY FORMATION

Date:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	08-??

