

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY
JULIANNA PETCHAK PARKS
CHAD E. SEPULVADO
B. LEE CARR, JR.

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

September 5, 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.

Lower Cotton Valley Zone, Reservoir A, and
Haynesville Zone, Reservoir A, ELM GROVE
FIELD, Caddo and Bossier Parishes, 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 Lower Cotton Valley Zone, Reservoir A, and to the Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, 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 an attached plat and being designated LCV RA SU125.
2. To create two (2) 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 an attached plat and being designated HA RA SUS and HA RA SUT.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within these 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 a unit operator of, and a unit well for, each of the proposed units as may be appropriate.
5. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; and from the Haynesville Zone, Reservoir A; in the wellbore of any well drilled on the proposed additional units (or on the existing Lower Cotton Valley unit designated LCV RA SULL) in which the ownership interests in the units from which production is to be combined downhole are identical.

6. To redefine the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, insofar and only insofar as to the proposed additional unit LCV RA SU125, and the existing unit designated LCV RA SULL, as being that gas and condensate bearing interval encountered between the depths of 10,030 feet and 10,670 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.

7. To define the Haynesville Zone, Reservoir A, in the Elm Grove Field, insofar and only insofar as to the additional units proposed herein, as being that gas and condensate bearing interval having a top of 10,670 feet (electrical log measurement) 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, and having a base of the stratigraphic equivalent of the depth of 11,487 feet (electrical log measurement) in the Chesapeake Operating, Inc.--SRLT 29 No. 1 Well, located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

8. To provide that wells drilled to the Haynesville Zone, Reservoir A, within or outside of the proposed units be located no closer than 330 feet to any unit boundary and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to the Haynesville Zone, Reservoir A.

9. 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, and of all applicable Statewide Orders, to the proposed additional units for the Lower Cotton Valley Zone, Reservoir A.

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 data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

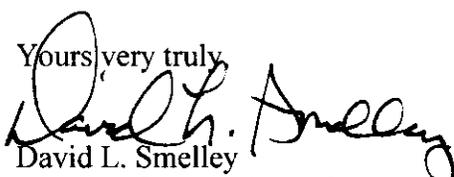
The Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was proposed to be defined in the manner set forth above in proceedings under Docket No. 08-1212, the hearing on which was held on August 19, 2008.

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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 each of the unit plats is enclosed herewith and 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. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 1:30 P.M. on September 17, 2008, at the Shreveport Petroleum Club, Energy Room C, Fifteenth Floor, 416 Travis Street, Suite 1500, Shreveport, Louisiana 71101. **THERE IS NO REQUIREMENT THAT ANY PERSON RECEIVING THIS LETTER ATTEND THIS CONFERENCE.** This is merely an invitation to attend and participate if you so desire. Also, it is not necessary to attend the conference in order to have questions answered relating to land and how it will be affected by these proposals. Any person having such questions is encouraged to contact J-W through its owner relations department by phone (866) 299-8191, or by e-mail "ownerrelations@jwoperating.com."

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 Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

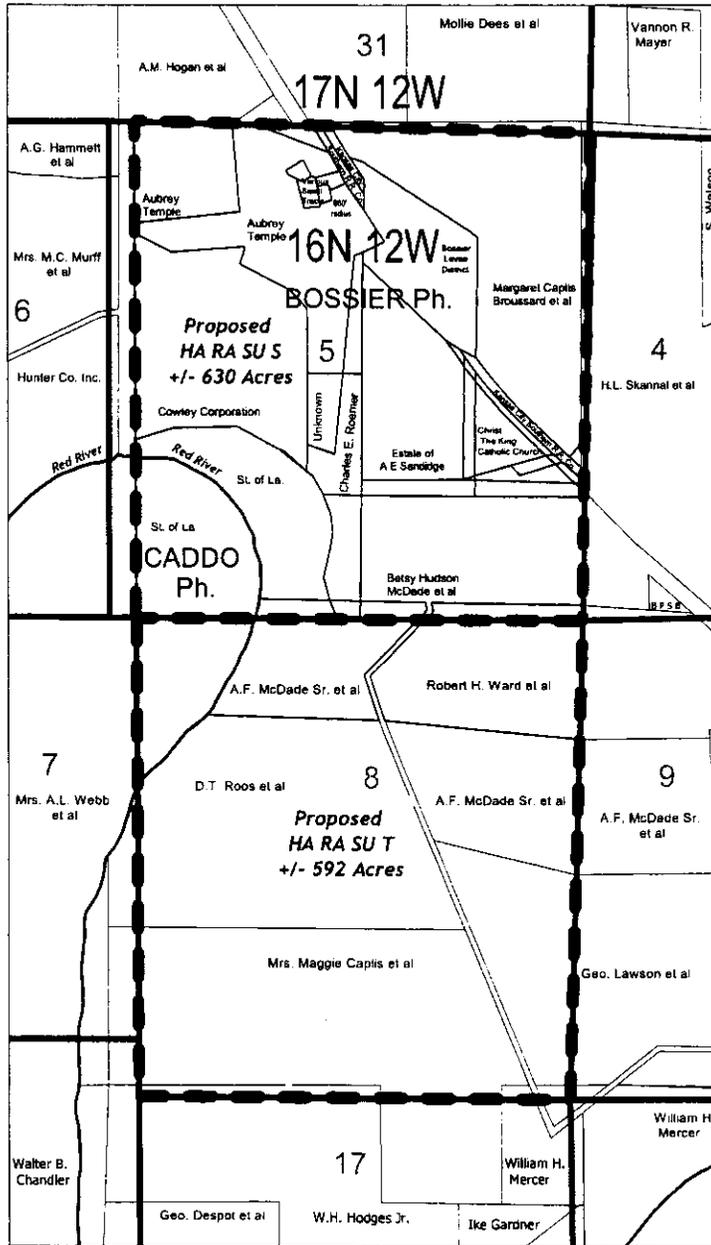
Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours, very truly,

David L. Smelley
--- Attorney for J-W Operating Company

DLS:dp

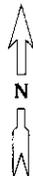
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Ms. Patty DuBois (w/encls.)
Ms. Tanya Allen (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



LEGEND

Proposed Haynesville Unit
 Posted Wells > 10,000'



J-W OPERATING COMPANY

ELM GROVE FIELD
 Bossier & Caddo Phs., La.
 Proposed Haynesville Units
 Unit Plat

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

1" = 2000'

