

STRAIN, DENNIS & BATES, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW

318 ST. CHARLES STREET
BATON ROUGE, LOUISIANA 70802
TELEPHONE (225) 343-0100
FAX (225) 343-0344
E-MAIL bates@sdmblaw.com

JAMES C. BATES
PARTNER
BATON ROUGE OFFICE

108 HEYMANN BOULEVARD
P. O. BOX 53319
LAFAYETTE, LOUISIANA 70505-3319
TELEPHONE (337) 237-5900
FAX (337) 233-9095

October 13, 2008

Hon. James H. Welsh
Commissioner of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804

Re: Haynesville Zone, Reservoir A, Greenwood-
Waskom Field, Caddo Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of Encore Operating Louisiana, L.L.C. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the Haynesville Zone, Reservoir A, Greenwood-Waskom Field, Caddo Parish, Louisiana:

1. 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, designated as the HA RA SUK and the HA RA SUO, as shown on the plat attached hereto;
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 redefine the Haynesville Zone, Reservoir A, INsofar AND ONLY INsofar as to the proposed units designated HA RA SUK and the HA RA SUO, as being that gas and condensate bearing zone encountered between the depths of 9,828 feet and 11,145 feet (electrical log measurements) in the Encore Operating Louisiana, L.L.C. (formerly Greystone Oil & Gas, LLP) -

Querbes No. 2 Well (SN 236852), located in Section 29, Township 16 North, Range 16 West, Caddo Parish, Louisiana.

5. To propose that future wells drilled to the Haynesville Zone within or outside of the unit 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;

6. To provide that, with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, in the proposed units, where the horizontal lateral portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;

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

8. 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, is currently defined in Office of Conservation Order No. 270-MM, effective June 19, 2007.

The pre-application conference was held as scheduled on October 9, 2008. In attendance were the parties shown on the attached attendance list. The conference was opened by the undersigned and turned over to Mr. Charles G. Smith, consulting geologist for the applicant, who discussed the bases of the applicant's proposal and answered questions concerning same. After questions and answers, the conference was adjourned. At this time, it is expected that there will be no opposition at the hearing.

In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice and unit plat in a prominent place in the area of Greenwood-Waskom Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Greenwood-Waskom Field at least fifteen (15) days before the hearing date.

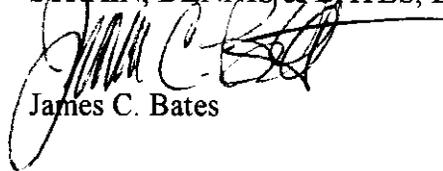
Hon. James H. Welsh
October 13, 2008
Page 3

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from Mr. Charles G. Smith, 5743 S. Pollard Parkway, Baton Rouge, LA 70808, (225) 767-2240.

Enclosed to the Commissioner of Conservation and District Manager **ONLY** is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this notice is being sent. Copies of this list will be provided upon request. Also enclosed is a copy of the plat showing the proposed unit. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS & BATES, L.L.P.

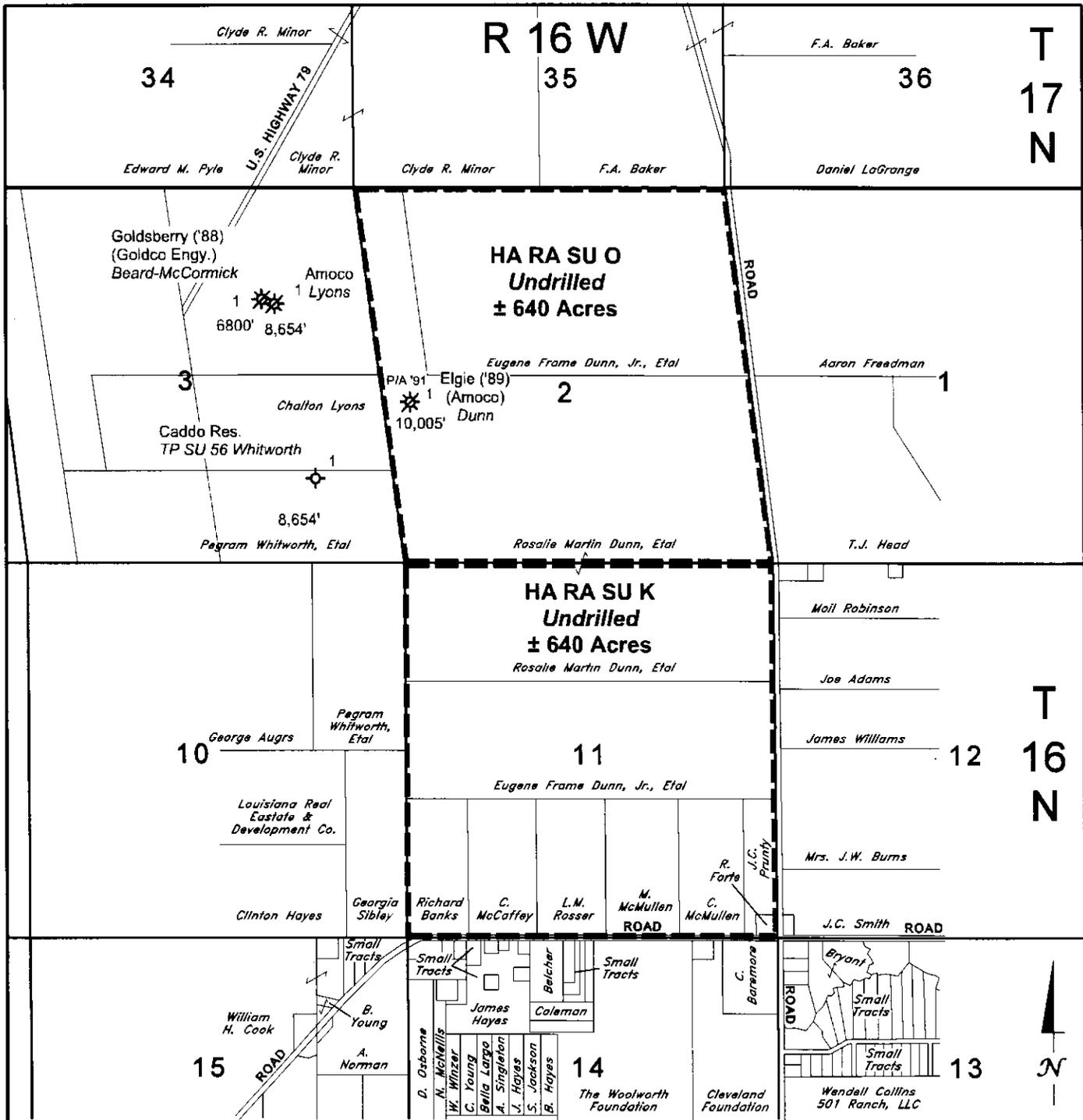


James C. Bates

JCB/cmf
encls.

cc: Mr. Jim Broussard
District Manager

Interested Parties
Interested Owners
Represented Parties



--- - PROPOSED UNITS

NOTE: ALL UNIT BOUNDARIES ARE GEOGRAPHIC.
NO WELLS SHALLOWER THAN 6000' ARE SHOWN.

EXHIBIT No. DOCKET No.

ENCORE OPERATING LOUISIANA, LLC

GREENWOOD - WASKOM FIELD
CADDO PARISH, LOUISIANA

Proposed Units
Haynesville Zone, Reservoir A



Geology: CHARLES G. SMITH

