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October 9, 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.

Hosston Formation, Reservoir A; Cotton Valley Formation, Reservoir A; and Haynesville Zone, 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; to the Cotton Valley Formation, Reservoir A; and to the Haynesville Zone, Reservoir A; all in the Caspiana Field, DeSoto Parish, Louisiana:

1. To create seven (7) 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 attached plats and being designated HA RA SUMM through HA RA SUSS.
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 expand the provisions of Order Nos. 191-9, 191-22, 191-23 and 191-37, approving downhole combination of production from the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, so as to include production from HA RA SUNN through HA RA SUSS in any well in which the ownership interests in the units from which production is to be combined downhole are identical.
5. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Haynesville Zone, Reservoir A; or any combination thereof, in any well drilled on HOSS RA SUDD, CV RA SUDD and HA RA

SUMM in which the interests in the units from which production is to be combined downhole are identical.

6. To provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within these proposed units, where the horizontal 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 herewith, the provisions of Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the Order No. 191-H series of Orders, to the proposed additional units for the Haynesville Zone, Reservoir A.

8. To discuss such other matters as may be pertinent.

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

The Cotton Valley Formation, Reservoir A, in the Caspiana Field was defined in Office of Conservation Order No. 191-A, effective February 15, 1975, and was further defined in Order No. 191-A-5, effective February 22, 1983.

The Haynesville Zone, Reservoir A, in the Caspiana Field was defined in Office of Conservation Order No. 191-H, effective August 28, 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 September 15, 2008, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its 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 2:00 o'clock p.m. on October 9, 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. Following this presentation there was a general question and answer period concerning the proposals of Applicant. Thereafter the conference was adjourned with no counterplan having been presented.

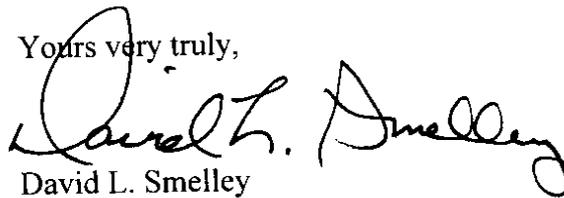
Honorable James H. Welsh  
October 9, 2008  
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Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of 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 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 of 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, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

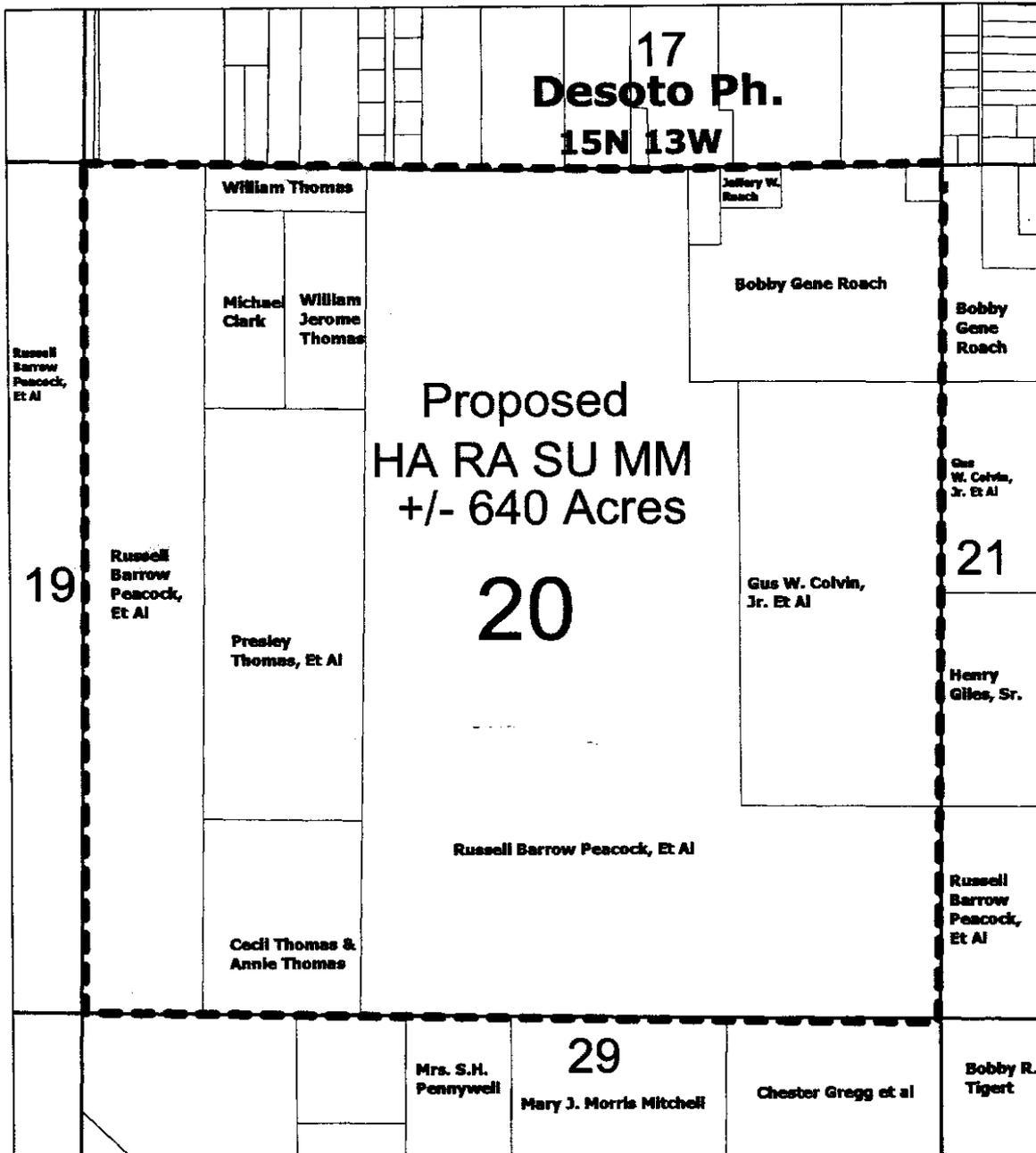


David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp  
Enclosures

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

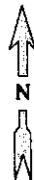


Note: No well will be perforated less than 330' from any unit boundary

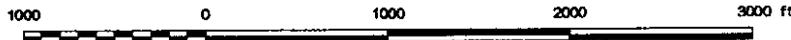
**LEGEND**

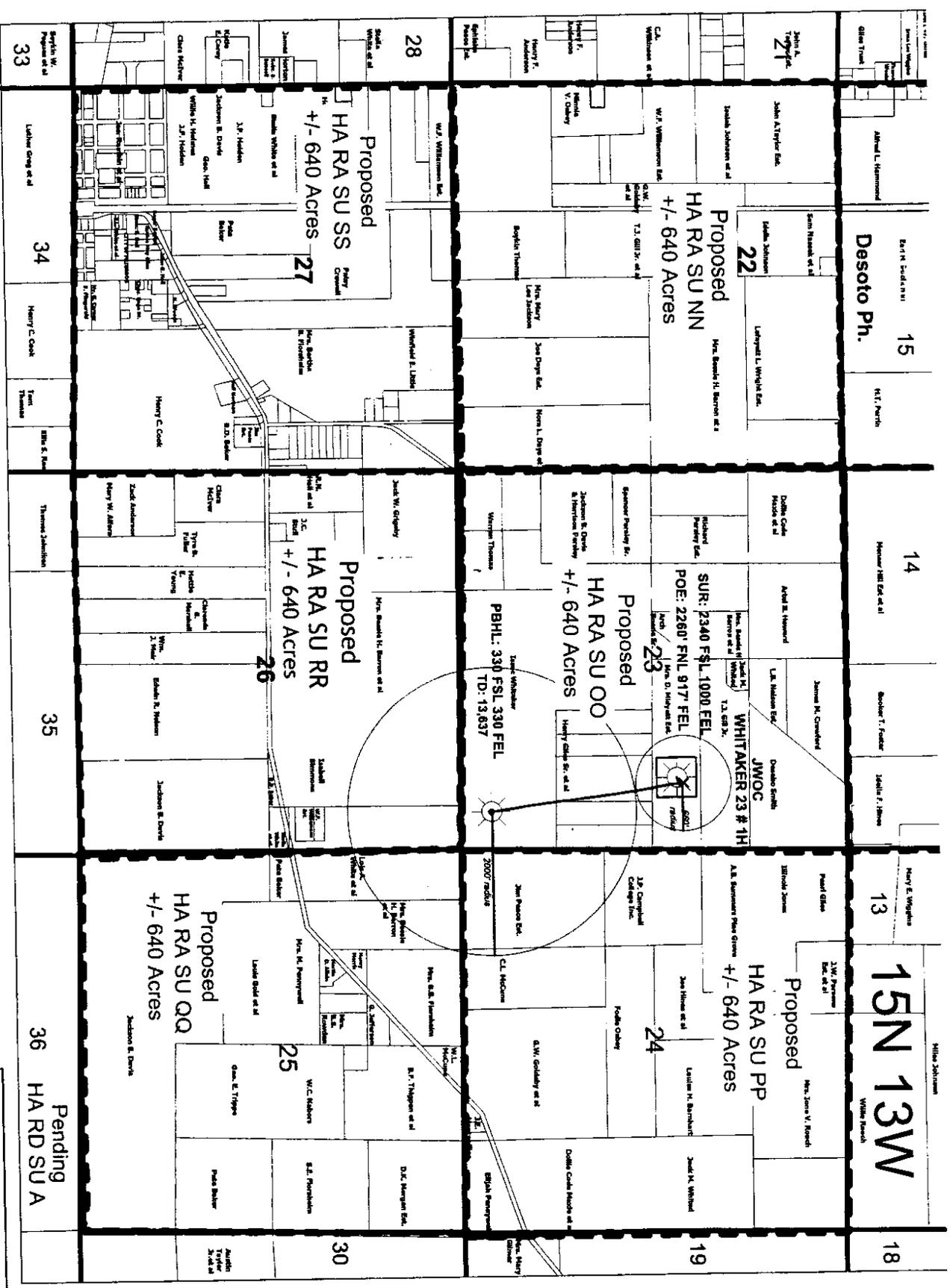
 Proposed Haynesville Units

 Posted Wells > 10,000'



<b>J-W OPERATING COMPANY</b>		
<b>CASPIANA FIELD PROPOSED HAYNESVILLE UNIT Desoto Parish, LA</b>		
Date:	Witness: Joe Adams	Docket No.:
Exhibit 1	Scale: 1" = 1000'	08-??





**LEGEND**

- Proposed Haynesville Units
- Proposed Unit Wells
- Posted Wells > 10,000'

**Note: No well will be perforated less than 330' from any boundary**  
 1" = 2000'

<b>J-W OPERATING COMPANY</b>	
CASPANA FIELD Desoto Parish, LA <b>PROPOSED HAYNESVILLE UNITS</b>	
DATE:	Witness: Joe Adams
DATE:	Docket No.
EXHIBIT 1	Scale: 1"=2000'
	08-7