

# LISKOW & LEWIS

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March 14, 2008

Richard W. Revels, Jr.  
rwrevels@liskow.com

Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

Re: Creation of units for  
Hosston Formation, Reservoir A  
Creation of additional units for  
Cotton Valley Formation, Reservoir A  
King Hill Field  
Natchitoches and Red River Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **ENCANA OIL & GAS (USA), INC.** for the calling of public hearings, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters:

Hosston Formation, Reservoir A

1. To establish rules and regulations and to create eight (8) drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, in the King Hill Field, Natchitoches and Red River Parishes, Louisiana, said units to be designated HOSS RA SUA through HOSS RA SUH, all as shown on the plat attached hereto and made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
3. To provide that any future substitute and/or alternate unit wells drilled to the Hosston Formation, Reservoir A, in the King Hill Field, within or outside the units created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
4. To provide that the Commissioner of Conservation should be authorized to reclassify the aforementioned formation by supplemental order without the necessity of a public hearing if the

March 14, 2008

producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

5. To consider such others matters as may be pertinent.

The Hosston Formation, Reservoir A, in the King Hill Field, Natchitoches and Red River Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 7,268 feet and 10,040 feet (electrical log measurements) in the ANR Production Company – Messenger No. 1 Well, located in Section 8, Township 10 North, Range 9 West, Natchitoches Parish, Louisiana.

#### Cotton Valley Formation, Reservoir A

1. To create seven (7) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the King Hill Field, Natchitoches and Red River Parishes, Louisiana, said units to be designated CV RA SUB through CV RA SUH, all as shown on the plat attached hereto and made a part hereof.

2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.

3. To amend the spacing provisions of Office of Conservation Order No. 1243, effective January 31, 1984, so as to provide that any future substitute and/or alternate unit wells drilled to the Cotton Valley Zone, Reservoir A, King Hill Field, within or outside the existing unit or the units created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).

4. To provide that the Commissioner of Conservation should be authorized to reclassify the aforementioned formation by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

5. Except to the extent contrary herewith, to extend to the proposed additional units all pertinent provisions of Office of Conservation Order No. 1243, effective January 31, 1984, and applicable statewide orders.

6. To consider such others matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, in the King Hill Field, Natchitoches and Red River Parish, Louisiana, was previously defined in Office of Conservation Order No. 1243, and is hereby redefined as being that gas and condensate bearing zone encountered between the depths of 10,040 feet and 13,735 feet (electrical log measurements) in the ANR Production Company – Messenger No. 1 Well, located in Section 8, Township 10 North, Range 9 West, Natchitoches Parish, Louisiana

Any pertinent data, including well logs, not available at the Office of Conservation, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Bill Dale with W. H. Robbins & Associates, L.L.C., 302 LaRue France, Lafayette, Louisiana 70508, Telephone Number (337)232-5004.

March 14, 2008

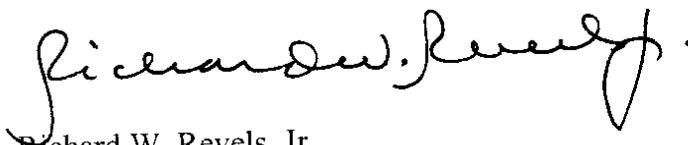
Pursuant to the Rules of Procedure, a pre-application conference was held on March 14, 2008, in Lafayette, Louisiana, at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the applicant's proposals. Questions were asked and answered. No counterplans were presented and the conference was then adjourned. We expect no opposition at the hearing to be scheduled in this matter.

Attached hereto and made a part hereof are plats outlining the applicant's proposals, the conference attendance list and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the plats (being the same plats attached to the pre-application notice dated February 22, 2008) and list of parties are being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the plats and/or list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$1,510.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Sincerely,

LISKOW & LEWIS

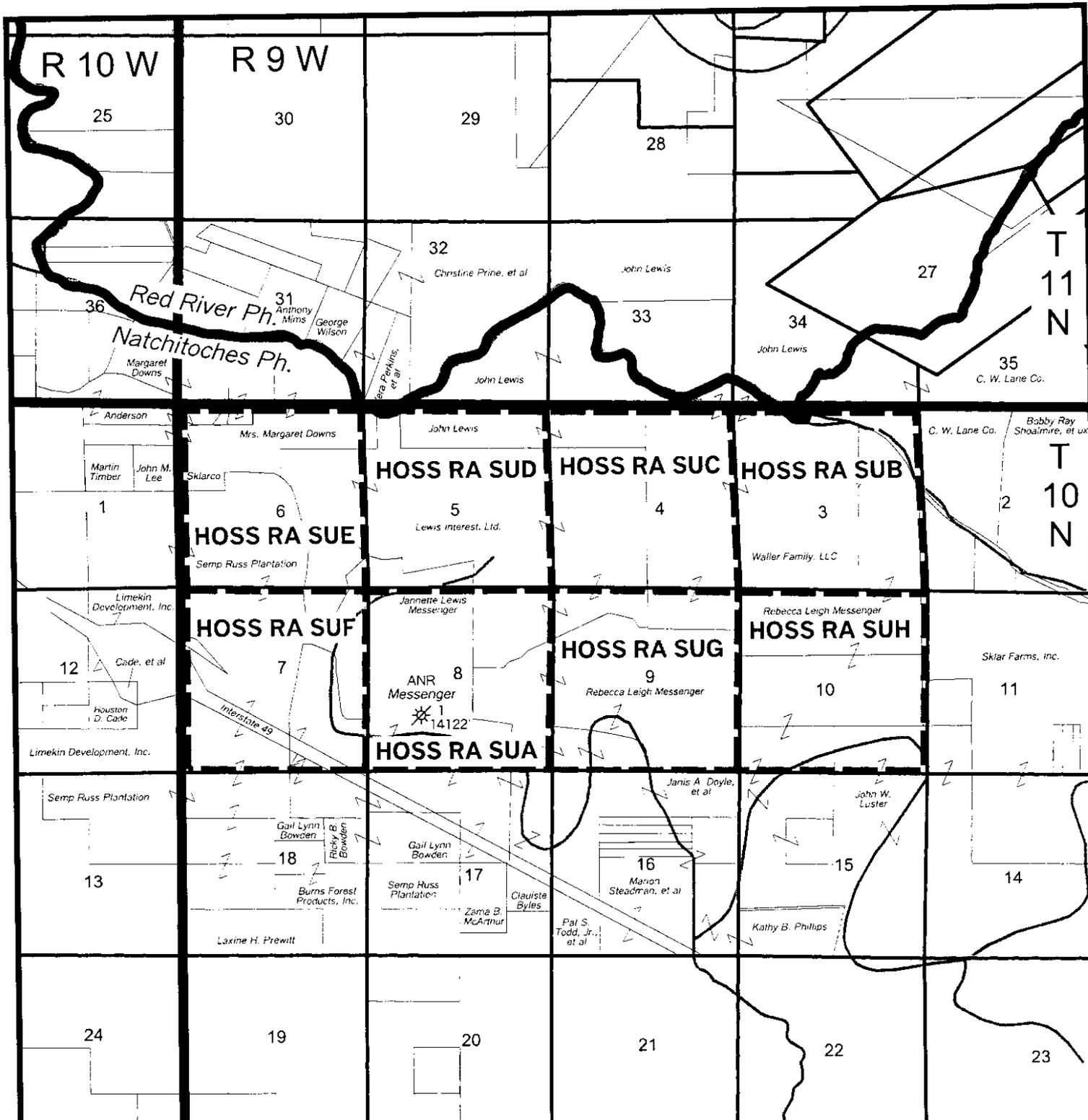


Richard W. Revels, Jr.

RWRjr:dbf  
Attachments

cc: Mr. James Broussard, Shreveport District Office of Conservation  
cc: Interested Owners, Represented Parties and Interested Parties

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**NOTE: ALL BOUNDARIES ARE GEOGRAPHIC  
ALL UNITS ± 640 ACRES**

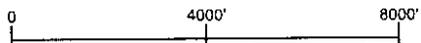
*All Wells Shallower Than 6000' Omitted*

EXHIBIT NO. \_\_\_\_\_ DATE: \_\_\_\_\_  
DOCKET NO. \_\_\_\_\_

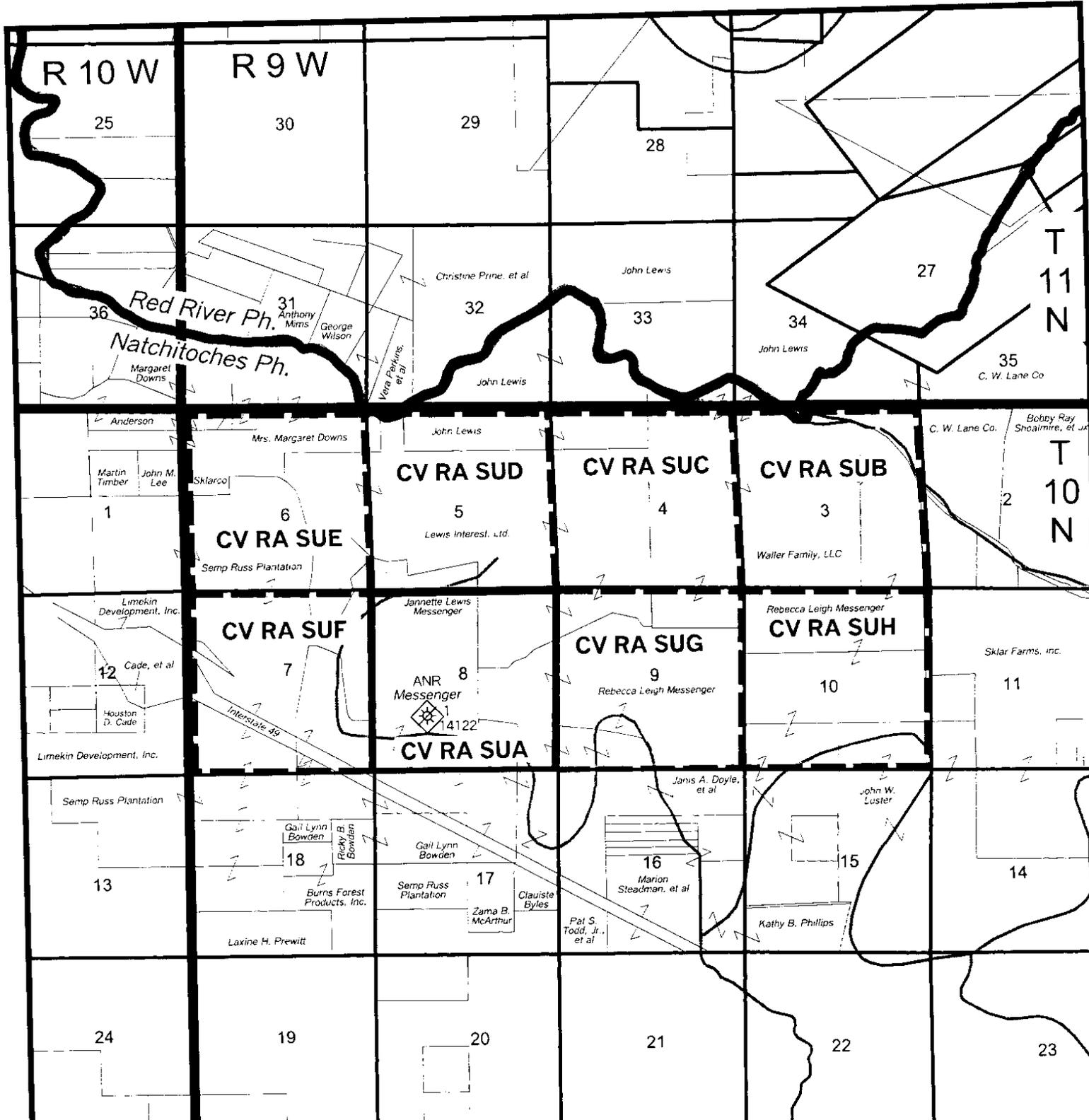
**ENCANA OIL & GAS (USA), INC.**

**KING HILL FIELD  
NATCHITOCHEES & RED RIVER PARISHES, LOUISIANA**

**PROPOSED UNITS  
HOSSTON FORMATION**



**W. H. ROBBINS & ASSOCIATES LLC**  
CONSULTING GEOLOGISTS  
Lafayette, Louisiana (337) 232-5004



◇ EXISTING UNIT WELL  
 — AS PER ORDER No. 1243  
 NOTE: ALL BOUNDARIES ARE GEOGRAPHIC  
 ALL UNITS ± 640 ACRES  
 All Wells Shallower Than 6000' Omitted

EXHIBIT NO. \_\_\_\_\_ DATE: \_\_\_\_\_  
 DOCKET NO. \_\_\_\_\_  
**ENCANA OIL & GAS (USA), INC.**  
**KING HILL FIELD**  
 NATCHITOCHEES & RED RIVER PARISHES, LOUISIANA  
**PROPOSED UNITS**  
**COTTON VALLEY ZONE**

0 4000' 8000'

**W. H. ROBBINS & ASSOCIATES LLC**  
 CONSULTING GEOLOGISTS  
 Lafayette, Louisiana (337) 232-6004