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May 15, 2008

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

Re: APPLICATION FOR PUBLIC HEARING

Hosston Zone, Reservoir A
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Zone, Reservoir A
Elm Grove Field
Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Valley Zone, Reservoir A, Elm Grove Field, Caddo Parish, Louisiana:

FOR THE HOSSTON ZONE, RESERVOIR A:

1. To permit the applicant to drill, designate and utilize a unit well for the production of gas and condensate from the Hosston Zone, Reservoir A, in the unit designate HOSS RA SU 93, Louisiana, in exception to the spacing provisions of the 361-A Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.

FOR THE COTTON VALLEY FORMATION, RESERVOIR A:

1. To permit the applicant to drill, designate and utilize an alternate unit well for the production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the unit designated CV RA SU88, in exception to the spacing provisions of the 361-B Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.

FOR THE LOWER COTTON VALLEY ZONE, RESERVOIR A:

1. To permit the applicant to drill, designate and utilize a substitute unit well for the production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, in the unit designated LCV RA SU105, in exception to the spacing provisions of the 361-E Series of Office of Conservation Orders, such unit and well shown on the attached plat and made a part hereof.

FOR THE HOSSTON ZONE, RESERVOIR A, THE COTTON VALLEY FORMATION, RESERVOIR A, AND THE LOWER COTTON VALLEY ZONE, RESERVOIR A:

1. To find that a unit well for the Hosston Zone, Reservoir A, in the unit designated HOSS RASU93, an alternate unit well for the Cotton Valley Formation, Reservoir A, in the unit designated CV RA SU88, and a substitute unit well for the Lower Cotton Valley Zone, Reservoir A, Reservoir A, in the unit designated LCV RA SU105, are necessary to assist in draining a portion of each reservoir that cannot be drained by any other well located within the unit.
2. To permit the unit operator to produce the assigned unit allowable for the CV RA SU88 from the unit well, the alternate unit well or from a combination of all wells at its discretion.
3. To permit the unit operator to down hole combine the production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A and the Lower Cotton Zone, Reservoir A, in the units designated HOSS RA SU93, CV RA SU88 and the LCV RA SU 105, providing the units are identical in aerial extent and have the same working and royalty interest.
4. Except as it may be in conflict herewith, to keep in full force and effect the provisions of the 361-A, 361-B and 361-E Series of Office of Conservation Orders and the units created by said orders.
5. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders, the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders and the Lower Cotton Valley Zone, Reservoir A, was created by the 361-E Series of Office of Conservation Orders in the Elm Grove Field, Bossier, Caddo and Bienville and Webster Parishes, Louisiana.

Hon. James H. Welsh
Elm Grove Field
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The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data

that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

The subject matter to this application does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation and a copy of this letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

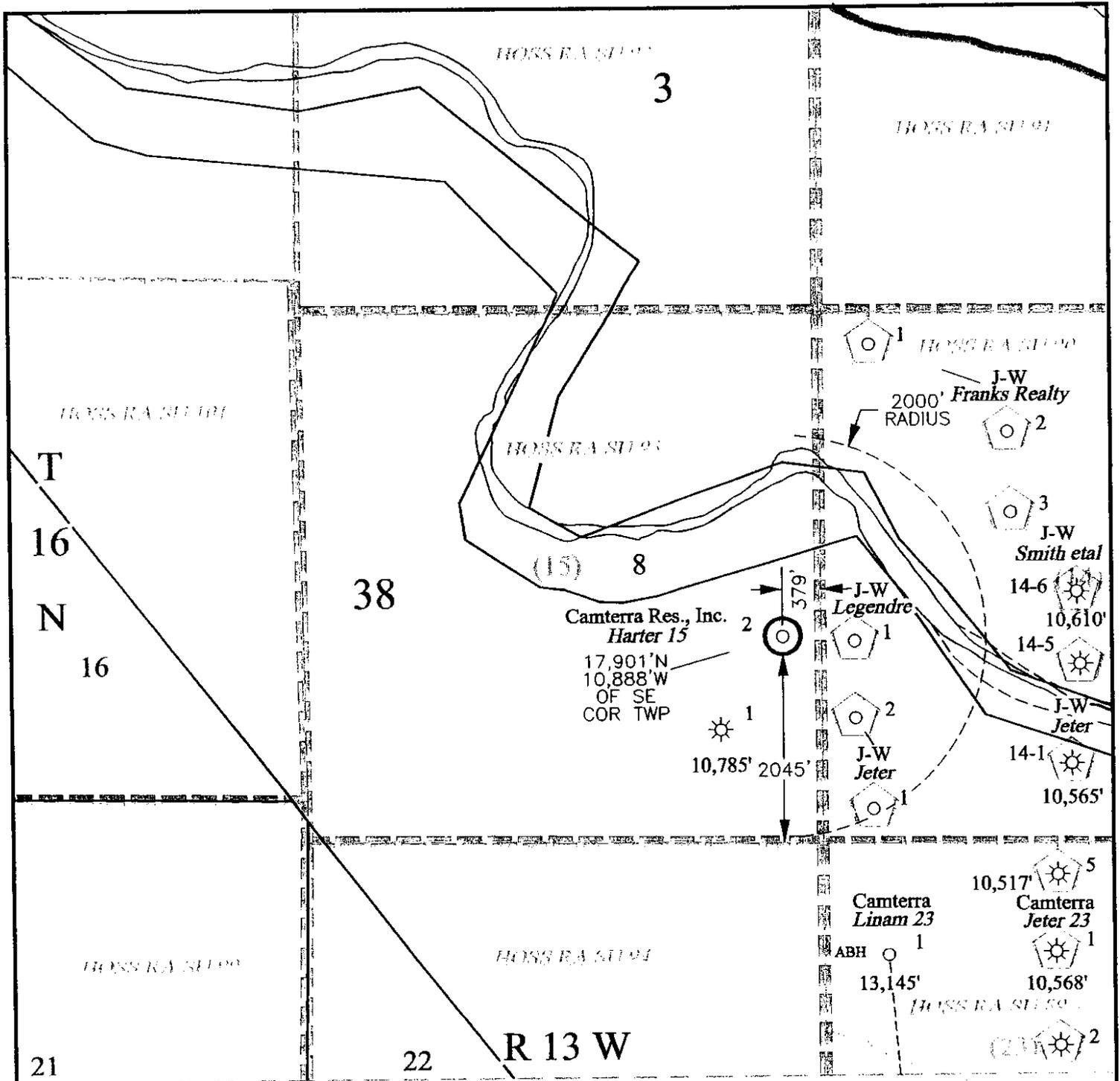
Attached is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (w/plats)
Camterra Resources, Inc. (w/encl.)
Heritage Energy (w/plat)



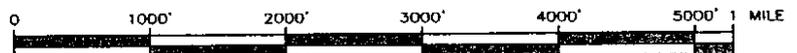
LEGEND

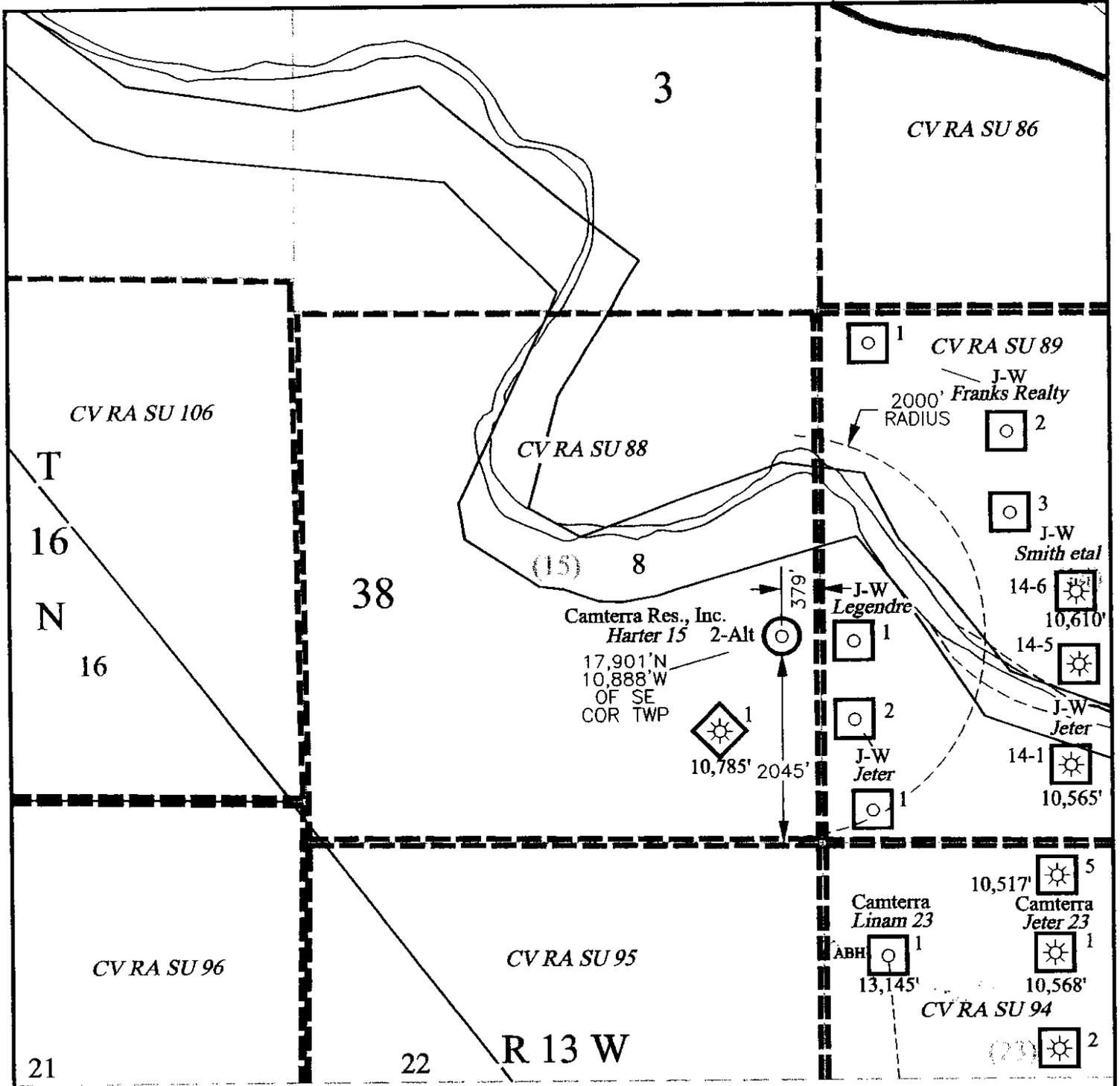
-  : HOSS RA UNIT WELLS
-  : ALTERNATE UNIT WELLS
-  : HOSS RA UNITS
-  : PROPOSED UNIT WELL

CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDOPARISH, LOUISIANA

**PROPOSED UNIT WELL
AT EXCEPTIONAL LOCATION
FOR HOSS RA SU 93**





LEGEND

-  : CV RA UNIT WELLS
-  : ALTERNATE UNIT WELLS
-  : CV RA UNITS
-  : PROPOSED ALTERNATE UNIT WELL

CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDO PARISH, LOUISIANA

**PROPOSED ALTERNATE UNIT WELL
AT EXCEPTIONAL LOCATION
FOR CV RA SU 88**

