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August 19, 2009

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 B; Cotton Valley Formation, Reservoir B; and Haynesville Zone, Reservoir A; WOODARDVILLE FIELD, Bienville 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 B; to the Cotton Valley Formation, Reservoir B; and to the Haynesville Zone, Reservoir A; all in the Woodardville Field, Bienville 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, such units being shown on an attached plat and being designated HA RA SU72 and HA RA SU73.
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 well for, each of the proposed additional units as may be appropriate.
4. To provide that with respect to any horizontal well drilled within the proposed units, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, the distance to any unit boundary and offset well will be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus of the well in the Haynesville Zone.
5. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir B; the Cotton Valley Formation, Reservoir B; and the Haynesville Zone, Reservoir A; or any combination thereof, in any well drilled on the proposed additional units and the identical units previously created for the Hosston Formation, Reservoir B, and the Cotton Valley Formation, Reservoir B, in which the interests in the units from which production is to be combined downhole are identical.

6. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 990-D, effective July 15, 2008, as amended and supplemented by the Order No. 990-D series of Orders, to the proposed additional units for the Haynesville Zone, Reservoir A.

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

The Hosston Formation, Reservoir B, in the Woodardville Field was initially defined in Office of Conservation Order No. 990-C, effective February 1, 2006, and was further defined in Order No. 990-C-8, effective January 9, 2007.

The Cotton Valley Formation, Reservoir B, in the Woodardville Field was defined in Office of Conservation Order No. 990-B, effective September 13, 2005.

The Haynesville Zone, Reservoir A, in the Woodardville Field was defined in Office of Conservation Order No. 990-D, effective July 15, 2008.

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 August 5, 2009, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set August 26, 2009, as the tentative date for the pre-application conference. No conference request was received within the delays provided for in the Rules of Procedure; accordingly, no pre-application conference will be held.

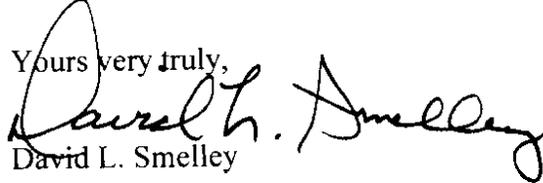
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat (which is identical to the unit plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of 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 plat, 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 Woodardville 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.

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Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

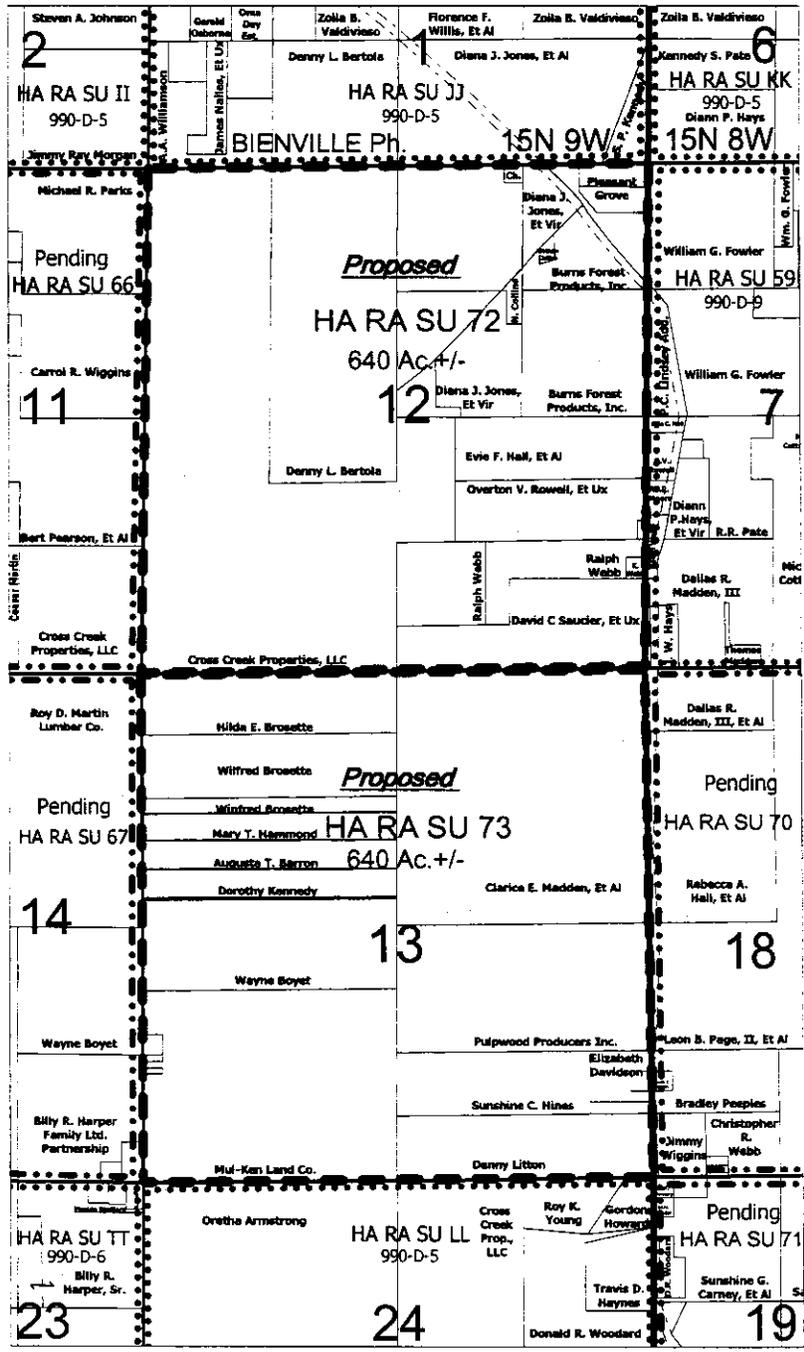
Yours very truly,

  
David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp  
Enclosures

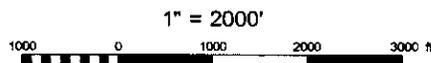
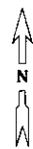
cc: Mr. James C. Broussard (w/encls.)  
Mr. Jerry Wooten (w/encls.)  
Mr. Michael Baca (w/encls.)  
Mr. Joe Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)



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

**LEGEND**

- Proposed Haynesville Unit
- Existing Haynesville Unit
- Pending Haynesville Unit
- No Wells Posted < 10,000'



|           |                       |   |  |
|-----------|-----------------------|---|--|
|           |                       | J-W OPERATING COMPANY<br>P.O. BOX 226444<br>DALLAS, TEXAS 75222-6444<br>OFFICE (972) 211-8191<br>FAX (972) 991-0104 |  |
|           |                       | <b>WOODARDVILLE FIELD</b><br><b>PROPOSED HAYNESVILLE UNITS</b><br><i>Bienville Parish, La.</i>                      |  |
| Date:     | Witness:<br>Joe Adams | Docket No.  |  |
| Exhibit 1 | Scale:<br>1" = 2000'  | 09-??   |  |