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October 1, 2009

APPLICATION

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12110-68552

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-9275

Re: Middle and Lower Wilcox Coal Seam Zone
East Bayou Castor Field
LaSalle Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **RADIUS OPERATING, LLC** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **Middle and Lower Wilcox Coal Seam Zone**, in the East Bayou Castor Field, LaSalle Parish, Louisiana, to-wit:

1. To establish rules and regulations and create one (1) coal seam natural gas unit, pursuant to LSA R.S. 30:5.2, for the exploration for and production of coal seam natural gas and related hydrocarbons;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production and costs on a surface acreage basis of participation;
3. To designate Radius Operating, LLC as the operator of, and its LP Mineral Owners, et al No. 1 and No. 2 Wells as the unit wells for the proposed unit;

4. To authorize the unit operator to drill as many wells to serve the proposed unit as may be necessary to efficiently and economically drain the coal seam natural gas producing area;
5. To provide that any future wells drilled to and completed in the Middle and Lower Wilcox Coal Seam Zone, within or outside of the proposed unit, should be exempt from the spacing requirements otherwise applicable between wells, but should be located no closer than 330 feet to any unit boundary; and
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Middle and Lower Wilcox Coal Seam Zone in the East Bayou Castor Field, LaSalle Parish, Louisiana, is hereby defined as being that coal seam natural gas bearing zone encountered between the depths of 2,650 feet and 3,825 feet, electrical log measurements, in the Radius Operating, LLC - LP Mineral Owners et al No. 1 Well, located in Section 28, Township 11 North, Range 2 East, LaSalle Parish, Louisiana, less and except all non-coal intervals encountered within such zone.

A conference to discuss the proposed application and any opposition thereto was held at 11:00 a.m. on Thursday, September 3, 2009 at Natchitoches Conference Center, 5131 University Pkwy, Natchitoches, Louisiana. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a discussion on unitization and the Rules of Procedure. Craig G. Barclay, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. There was opposition to the proposal expressed at the conference. However, no counterplan was presented; thus, we are unable to anticipate whether there will be opposition at the hearing.

Subsequent to the conference, the applicant decided to amend its proposal by adding the portion of the proposed unit labeled as Tract "5" and additional portions of the tract labeled as Tract "1" on the plat attached hereto and made a part hereof. **The amended version of the applicant's proposal was discussed at the pre-application conference.**

In addition, the Middle and Lower Wilcox Coal Seam Zone discussed herein was incorrectly referenced as the Middle and Upper Wilcox Coal Seam Zone in the pre-application notice. Accordingly, the applicant's proposal was amended by replacing the term "Upper" with the term "Lower" in all references to the objective zone. **It is important to note that this error was a mistake in name only, and the applicant did not change the actual depths provided in the definition of the objective zone.**

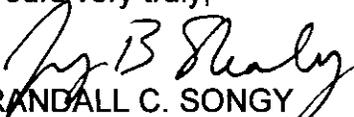
Furthermore, the objective zone was correctly referenced as the Middle and Lower Wilcox Coal Seam Zone at the pre-application conference.

Also attached hereto and made a part hereof is a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Monroe District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Craig C. Barclay, 522 Dumbarton Dr., Shreveport LA, (318) 869- 2223.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Yours very truly,


RANDALL C. SONGY
JEREMY B. SHEALY

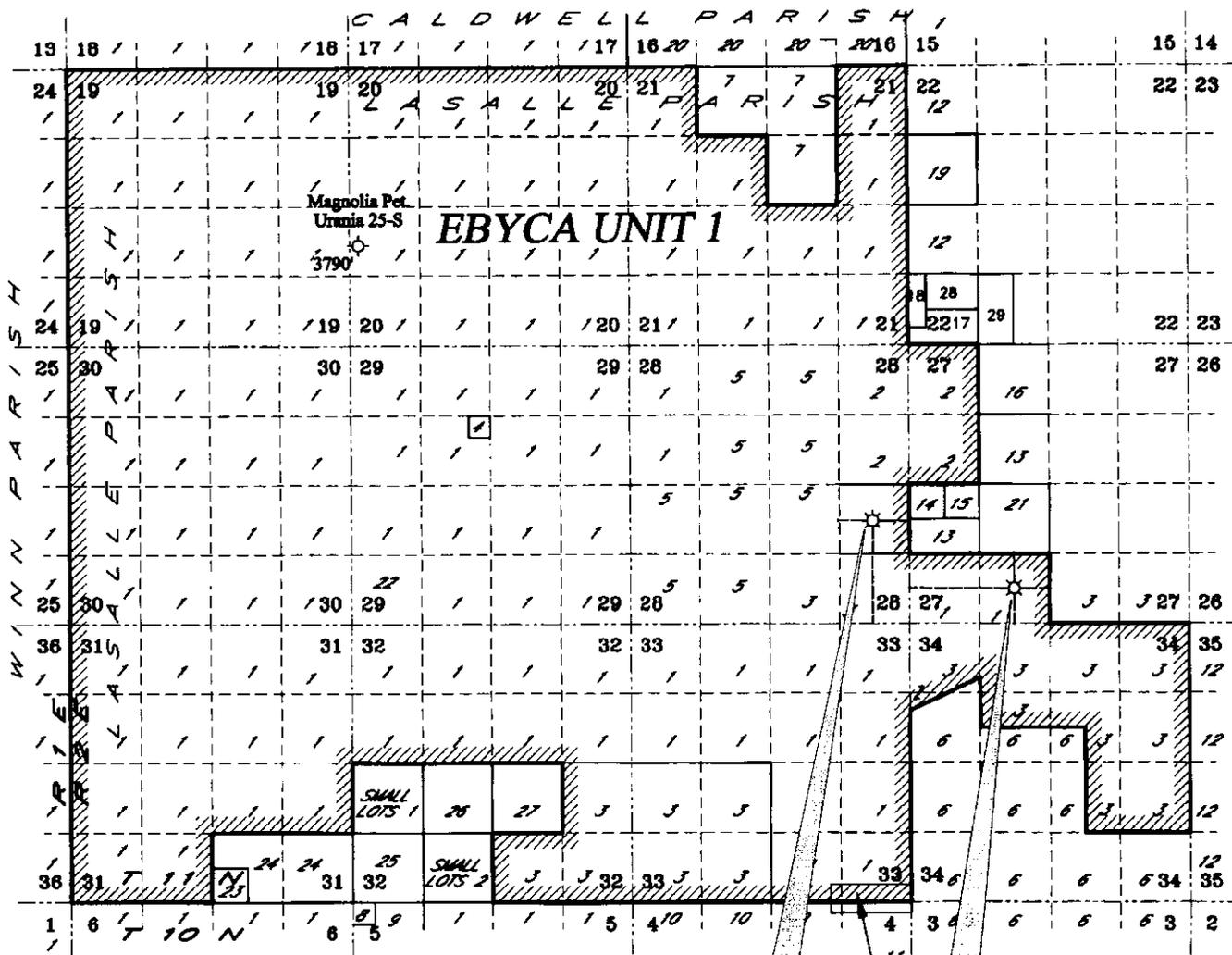
RCS/JBS/smp/bad

Enclosures

cc: Honorable James H. Welsh
Commissioner of Conservation

Jackie Devall, District Manager
Office of Conservation - Monroe Division

T 11 N - R 2 E



R 2 E

RADIUS OPERATING LLC
LP MINERAL OWNERS ET AL NO. 1
683' FEL & 1950' FSL / SEC.
683' FEL & 637' FWL / UNIT

RADIUS OPERATING LLC
LP MINERAL OWNERS ET AL NO. 2
660' FSL & 1980' FWL / SEC.
660' FNL & 660' FEL / UNIT

EXHIBIT No.

DOCKET No. 09-

Derek Kyle Howard
DEREK KYLE HOWARD, LA P.L.S. NO. 4874
NOTARY ORIGINAL IF STAMPED HERE, SIGNED BLANK.

- | | |
|-----------------------------|----------------------------|
| 1 - LP MINERALS, ETAL | 15 - CLINTON RUSHING, JR. |
| 2 - DENNY ZENGLER FAMILY LP | 16 - JOHNNY FRANK |
| 3 - DANNEHILL GROUP | 17 - JOHN SHODDY |
| 4 - HENRY CLAY NOLAN | 18 - EDDIE RICHARDSON |
| 5 - JEFFERY ZENGLER, ETAL | 19 - CHARLES E. LASSITER |
| 6 - ALEX T. HUNT | 20 - B. M. LONE, ETAL |
| 7 - JOHN MOORE, ETAL | 21 - MELVIN THORNTON |
| 8 - WILLIAM O. MCCARTNEY | 22 - SIX C PROPERTIES LLC |
| 9 - DANSON O. MCCARTNEY | 23 - K. P. MULLITZER |
| 10 - KOCH RP HOLDINGS LLC | 24 - MICHAEL RAY MCCARTNEY |
| 11 - FINEHILL CHURCH | 25 - WILLIAM O. MCCARTNEY |
| 12 - I. P. ETAL | 26 - RONALD J. HAYES |
| 13 - WILLIAM S. DANNEHILL | 27 - JIMMIE L. MCCARTNEY |
| 14 - GARY FRANKLIN | 28 - LESLIE M. MELCH, ETAL |
| | 29 - COY A. BELL |

RADIUS OPERATING, LLC

PROPOSED EAST BAYOU CASTOR CSNG UNIT 1

LaSalle Parish, Louisiana

INDEX MAP FOR MIDDLE AND LOWER WILCOX COAL SEAM ZONE

////// PROPOSED UNIT

