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October 13, 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.

Haynesville Zone, Reservoir A, NORTH GRAND
CANE FIELD, DeSoto Parish, Louisiana.

Dear Sir:

BEUSA ENERGY, INC. ("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 Haynesville Zone, Reservoir A, in the North Grand Cane Field, DeSoto 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 the attached plat and being designated HA RA SUAA and HA RA SUBB.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within 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 for 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 or 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 expand the provisions of Office of Conservation Order No. 855-1, effective February 13, 2007, authorizing downhole combination of production from the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir B, with respect to previously created units for such formations which are identical to the proposed unit HA RA SUBB, so as to include production from the Haynesville Zone, Reservoir A, in any well 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. 855-E, effective July 29, 2008, as amended and supplemented by the Order No. 855-E series of Orders, to the proposed additional units.
7. To discuss such other matters as may be pertinent to these proposals.

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The Haynesville Zone, Reservoir A, in the North Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 855-E, effective July 29, 2008.

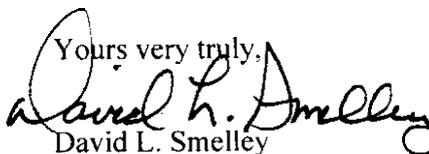
Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person desiring to inspect any such data should call Mr. Louis Gilbert at (504) 834-8112 during 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 October 1, 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 a pre-application conference with respect to Applicant's proposals was tentatively scheduled for October 21, 2009. No request for the pre-application conference was received within the time provided in the Rules of Procedure; therefore, no conference will be held.

Attached hereto is a plat showing the proposed units (which is identical to the plat attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

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 North Grand Cane Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

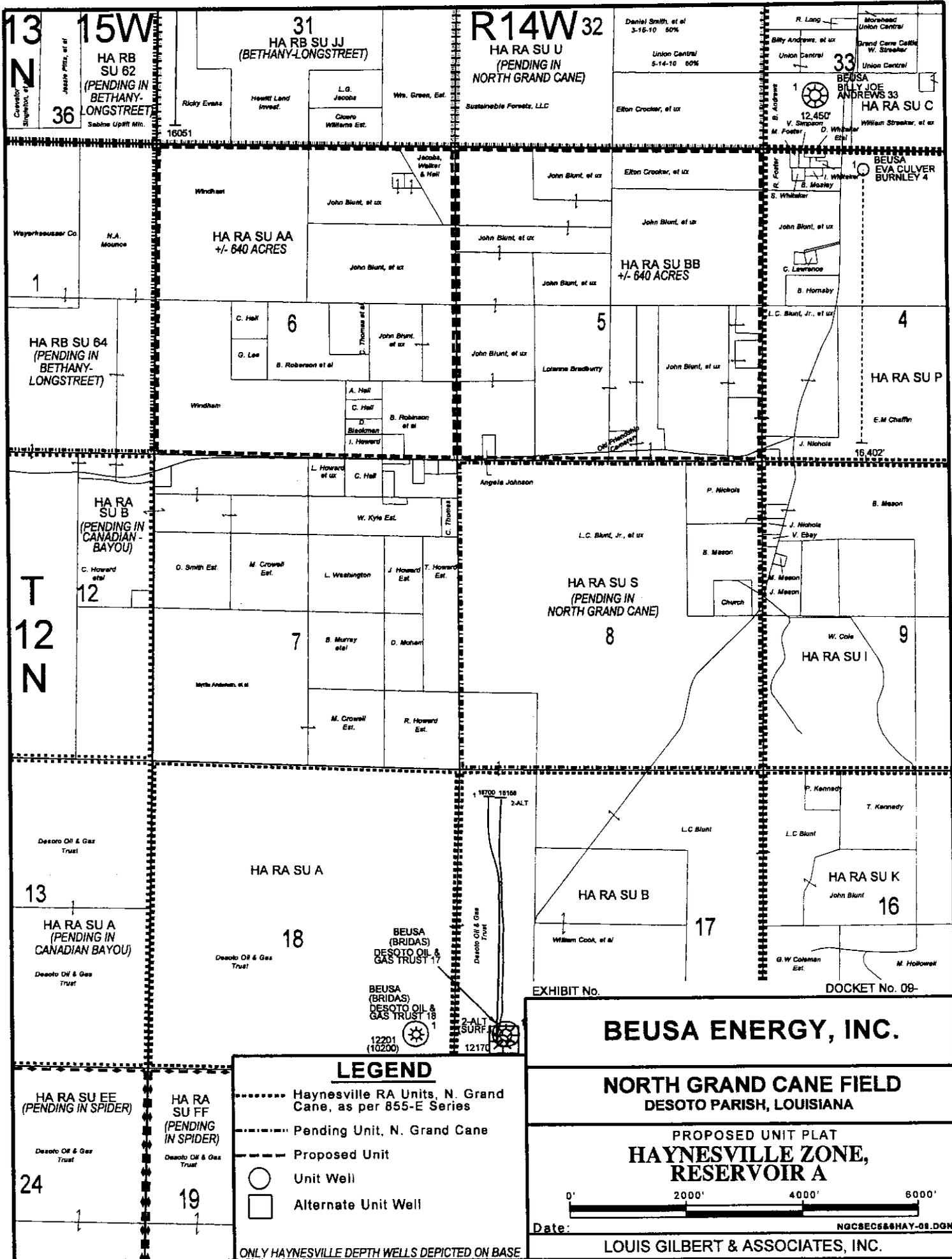
Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley
-- Attorney for Beusa Energy, Inc.

DLS:dp

Enclosures

cc: Mr. James C. Broussard (w/encl.)
Ms. Linda McGowen (w/encl.)
Mr. Jeff Reagan (w/encl.)
Mr. Louis Gilbert (w/encl.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)



LEGEND

- Haynesville RA Units, N. Grand Cane, as per 855-E Series
- Pending Unit, N. Grand Cane
- Proposed Unit
- Unit Well
- Alternate Unit Well

ONLY HAYNESVILLE DEPTH WELLS DEPICTED ON BASE

EXHIBIT No. **BEUSA ENERGY, INC.**

DOCKET No. 09-

NORTH GRAND CANE FIELD
DESOTO PARISH, LOUISIANA

PROPOSED UNIT PLAT
HAYNESVILLE ZONE,
RESERVOIR A

0' 2000' 4000' 6000'

Date: _____ NGCSECS&HAY-08.DGN

LOUIS GILBERT & ASSOCIATES, INC.