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October 23, 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, 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 Grand Cane Field, DeSoto Parish, Louisiana:

1. To create five (5) 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 SUJ through HA RA SUN.
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. 342-1, effective December 5, 2006, authorizing downhole combination of production from the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir A, with respect to previously created units for such formations which are identical to the proposed unit HA RA SUK, 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. 342-K, effective March 3, 2009, as amended and supplemented by the Order No. 342-K series of Orders, to the proposed additional units.
7. To discuss such other matters as may be pertinent to these proposals.

The Haynesville Zone in the Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 342-K, effective March 3, 2009.

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.

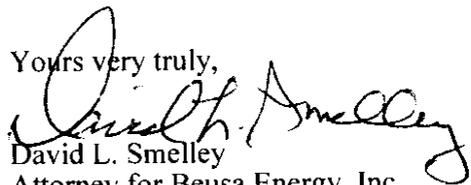
By letter dated October 12, 2009, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set November 5, 2009, as the tentative date for the pre-application conference. No conference request was received 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 Grand Cane 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.

Finally, enclosed herewith is our check payable to the Office of Conservation covering 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)

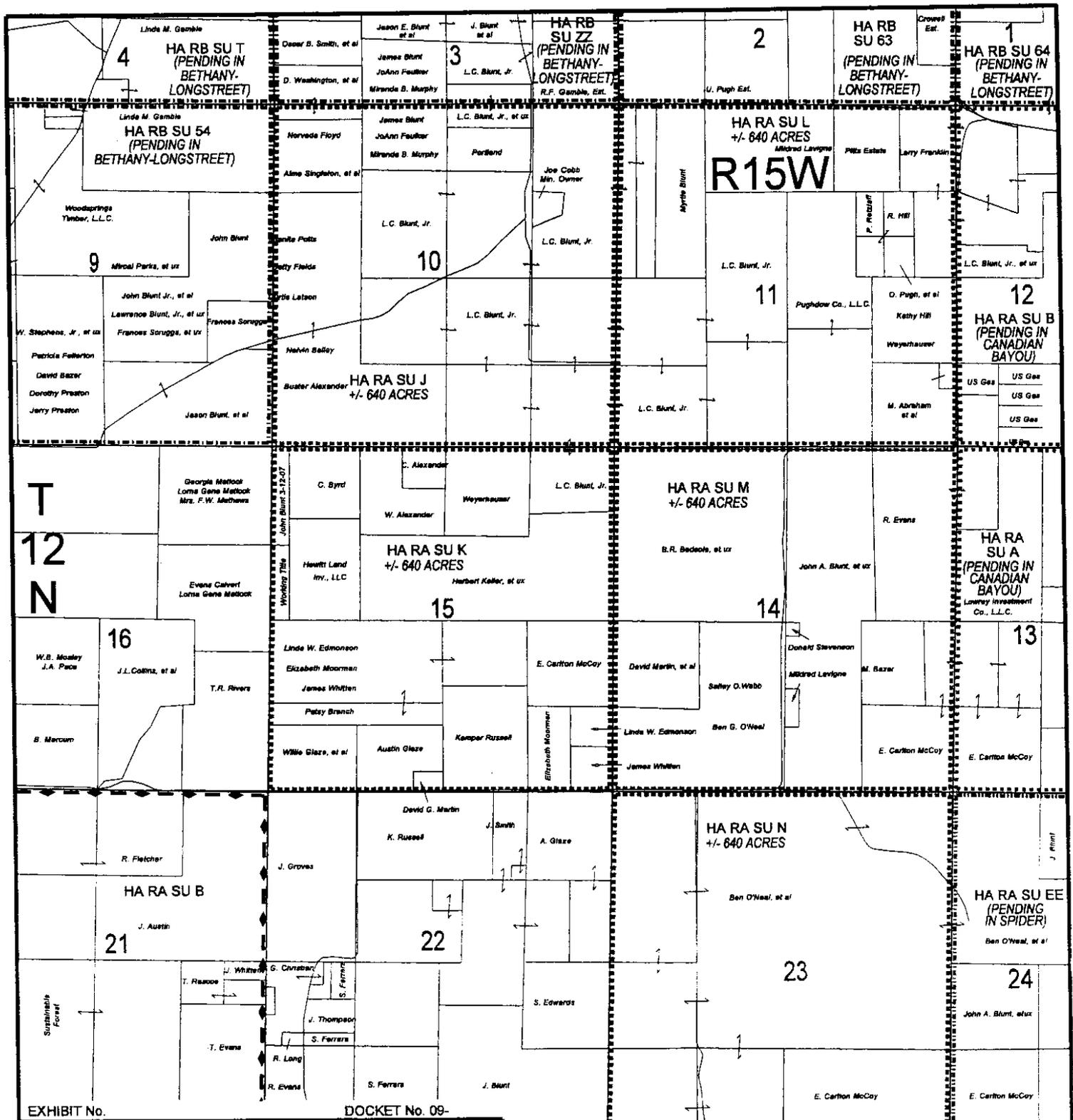


EXHIBIT No. DOCKET No. 09-

**BEUSA ENERGY, INC.**

**GRAND CANE FIELD  
DESOTO PARISH, LOUISIANA**

**PROPOSED UNIT PLAT  
HAYNESVILLE ZONE,  
RESERVOIR A**



Date: gcsec8thru16hay-09.DGN

**LOUIS GILBERT & ASSOCIATES, INC.**

**LEGEND**

—◆— Haynesville RA Units, Grand Cane, as per 342-K Series of Orders

----- Proposed Unit

ALL WELLS 6500' OR SHALLOWER  
REMOVED FROM BASE

ONLY HAYNESVILLE DEPTH WELLS DEPICTED ON BASE

HA RA SU T  
(PENDING IN SPIDER)  
25

Wm. C. Smart  
Mrs. Temple  
D. Smart, Etal