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November 23, 2009

Richard W. Revels, Jr
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Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Cotton Valley Formation, Reservoir A
Kelleys Field
Jackson Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **EXCO OPERATING COMPANY, LP** for the calling of a public hearing after ten (10) days legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters:

1. To permit the applicant to drill, designate and utilize eight (8) horizontal alternate unit wells for the CV RA SUN, in Kelleys Field, at the locations shown on the plat attached hereto and made a part hereof, which locations are in exception to the spacing provisions of Office of Conservation Order No. 633-D-1, effective December 16, 1980.

2. To find that the proposed alternate unit wells are necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well in the unit.

3. To permit the operator of the CV RA SUN to produce the unit allowable from the existing unit well and the proposed alternate unit wells, in any combination, at its option.

4. Except to the extent herein set forth, to continue in full force and effect the provisions of Office of Conservation Order No. 633-D, effective August 20, 1980, as amended and supplemented by the 633-D Series of Orders, and applicable statewide orders.

5. To consider such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, in Kelleys Field, Jackson Parish, Louisiana, was previously defined in Office of Conservation Order No. 633-D-3, effective February 5, 1982, and was most recently redefined as to the subject unit in Order No. 633-D-9, effective October 6, 2009.

The applicant is requesting permission to drill, designate and utilize alternate unit wells for the aforementioned unit at the locations shown on the attached plat. These wells will permit efficient and economic recovery of hydrocarbons underlying the unit, will not adversely affect the adjacent offsetting units, and are needed to satisfy the market demand for gas and condensate from the field.

Attached hereto and made a part hereof is a plat outlining the applicant's proposals, along with a list of the names and addresses of the 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 of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Shreveport 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, Interested Parties and Represented Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of $755.00 **made payable to the Office of Conservation** and representing the required hearing application fee.

Very truly yours,

LISKOW & LEWIS

Richard W. Revels, Jr.

RWRjr/dbf
Enclosures

cc: Mr. James Broussard, Shreveport District Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties

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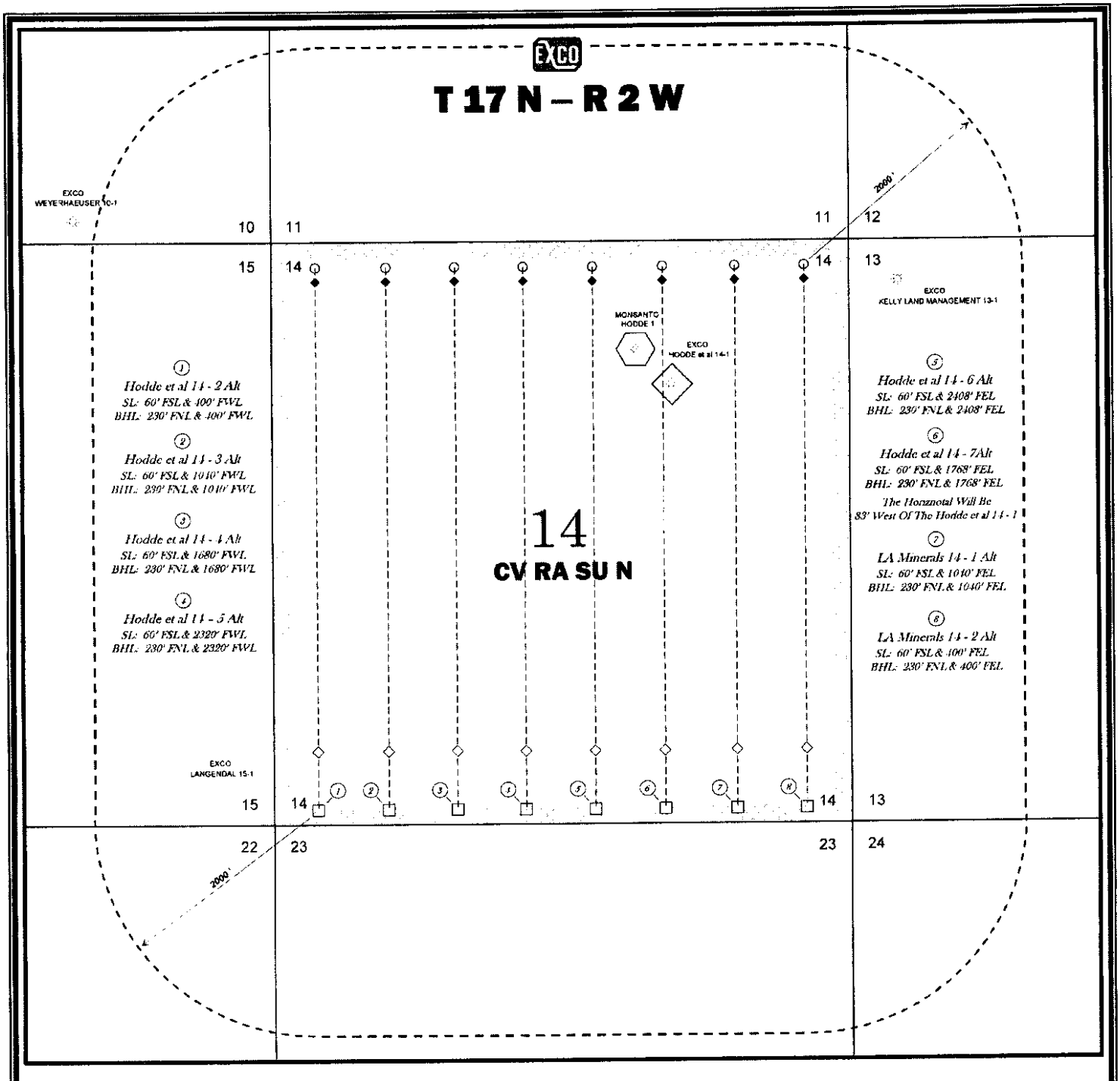

APPROVED CADEVILLE UNIT WELL

APPROVED COTTON VALLEY UNIT WELL

Proposed Cotton Valley Alternate Unit Horizontal Locations

- Surface Location
- Bottom Hole Location
- First Perforation Point – To Be > 330' FNL
- Last Perforation Point – To Be > 660' FSL

0 1,250 2,500
FEET

EOC

EXCO Operating Company, LP

KELLEYS FIELD
Jackson Parish, Louisiana

EIGHT PROPOSED HORIZONTAL ALTERNATE UNIT WELLS

CV RA SU N

Hodde et al 14-2 Alt, Hodde et al 14-3 Alt, Hodde et al 14-4 Alt
Hodde et al 14-5, Hodde et al 14-6 Alt, Hodde et al 14-7 Alt
LA Minerals 14-1 Alt, LA Minerals 14-2 Alt

DOCKET NO: _____ NOVEMBER 25, 2009 EXHIBIT NO. 1