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December 22, 2008

APPLICATION

12145-68754

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-4275

Re: Russell Coal Seam Zone
Crossroads Field
Winn Parish, Louisiana

Application is hereby made on behalf of **HODGES ENERGY, 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 **Russell Coal Seam Zone** in the Crossroads Field, Winn 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, such unit to be designated CRR CSNG UNIT 1;
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 Hodges Energy, LLC. as the unit operator for the of 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 Russell Coal Seam Zone within or outside of the proposed unit should be exempt from the spacing between wells but should be located no closer than 330 feet to any unit boundary.
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Russell Coal Seam Zone in the Crossroads Field, Winn Parish, Louisiana, is hereby defined as being that coal seam natural gas bearing zone encountered between the depths of 2,560 feet and 3,642 feet, electrical log measurements, in the Magnolia Petroleum - Urania Lumber Co. No. 12 Well, located in Section 32, Township 11 North, Range 1 East, Winn 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 on Thursday, December 18, 2008 at the Natchitoches Conference Hall 5131 Hwy. 6, Natchitoches, LA. 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 brief discussion of the Rules of Procedures. Jim Hodges, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. No counterplan was presented at the conference. The conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting **Jim Hodges, 416 Travis Street, Suite 1011, Shreveport, LA 71161 (phone: 318-424-4500)**.

There is attached hereto and made a part hereof a plat outlining the proposed unit and 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 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, Represented Parties and Interested Parties.

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.

Very Truly Yours,



RANDALL C. SONGY

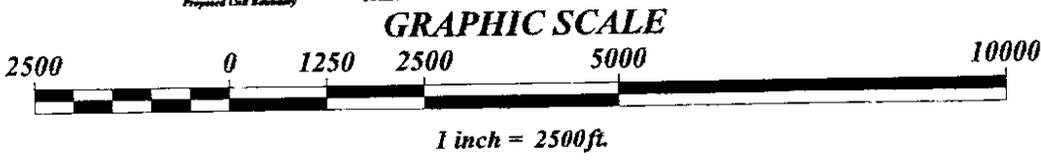
RCS/smp/bad
Enclosures

cc: Interested Parties

Mr. Jim Broussard, District Manager
Office of Conservation

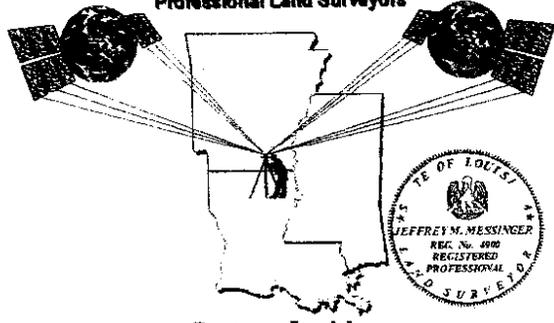


TRACTS / MINERAL OWNERS	
1	WILLIAM BLAKE
2	JOSEPH E. HAND, JR. ETAL
3	WEYERHAEUSER COMPANY
4	HOWARD A. McCARTY, ETAL
5	JODY HAND, ETAL
6	HELEN FRENKEN
7	WINDHAM OIL Co
8	MERIDETH ETAL
9	TANNEHILL ETAL
10	WEYERHAEUSER COMPANY
11	LOUISE CARTER WILL STRANGE ETAL
12	KELVIN GRISHOM WILL STRANGE ETAL
13	RANDY & TERESA COX
14	WINDHAM OIL CORP.
15	WEYERHAEUSER COMPANY
16	OMER B. STRONG, JR.
17	MICHAEL PRESCOTT
18	LETHA COX SANDERS. ETAL.
19	JUANITA COX
20	LOUISE CARTER ETAL
21	LUTHER COUCH
22	CECIL COUCH
23	GEORGE COX ETAL
24	ROY LYNN HATTEN
25	JIMMY & KATIE HELTON
26	TRESSIE COFFER WATTS
27	LOYCE WELCH ETAL
28	BOBBY GENE JORDAN



= PROPOSED UNIT BOUNDARY

Messinger & Associates, Inc.
Professional Land Surveyors



Bastrop, Louisiana

630 E. JEFFERSON
BASTROP, LA. 71226

(318) 281-1636
E-MAIL: survey@messinger.net

P. O. 1179
BASTROP, LA. 71221

8780.1

**Proposed CRR CSNG UNIT 1
Hodges Energy, L.L.C.**

BEING

SECTIONS 4, 5, 6, 7 & 8, T 10 N - R 1 E &
SECTIONS 31, 32 & 33, T 11 N - R 1 E
WINN PARISH, LOUISIANA

SCALE: 1" = 2500'	 PROFESSIONAL LAND SURVEYOR
DATE: November 24, 2008	
DRAWING NUMBER	
	D-1617