

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY
JULIANNA PETCHAK PARKS
CHAD E. SEPULVADO
B. LEE CARR, JR.

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

December 30, 2008

OF COUNSEL
WILLIAM G. HONORABLE

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, ANTIOCH
FIELD, Claiborne Parish, Louisiana.

Dear Sir:

TELLUS OPERATING GROUP, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Antioch Field, Claiborne Parish, Louisiana:

1. To create two (2) additional drilling and production units for the exploration for and production of oil and gas or gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on the attached plat and being designated CV RA SUB and CV RA SUC.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of 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 wells for, the proposed additional units as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 344-D, effective October 14, 1997, and of all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.
5. To discuss such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, in the Antioch Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 344-D, effective October 14, 1997.

Pertinent data concerning this application is available for inspection at the offices of Tellus Operating Group, L.L.C., 602 Crescent Place, Suite 100, Ridgeland, Mississippi 39157. Any person wishing to inspect such data should call Mr. Mike Liebert at (601) 898-7444 during normal

Honorable James H. Welsh
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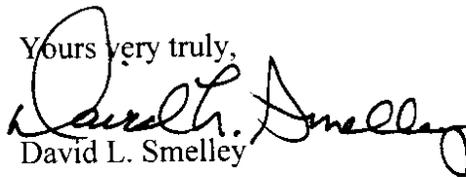
business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated December 16, 2008, 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 January 8, 2009, as the tentative date for the pre-application conference. No request for the pre-application conference was received; 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 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 Antioch 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.

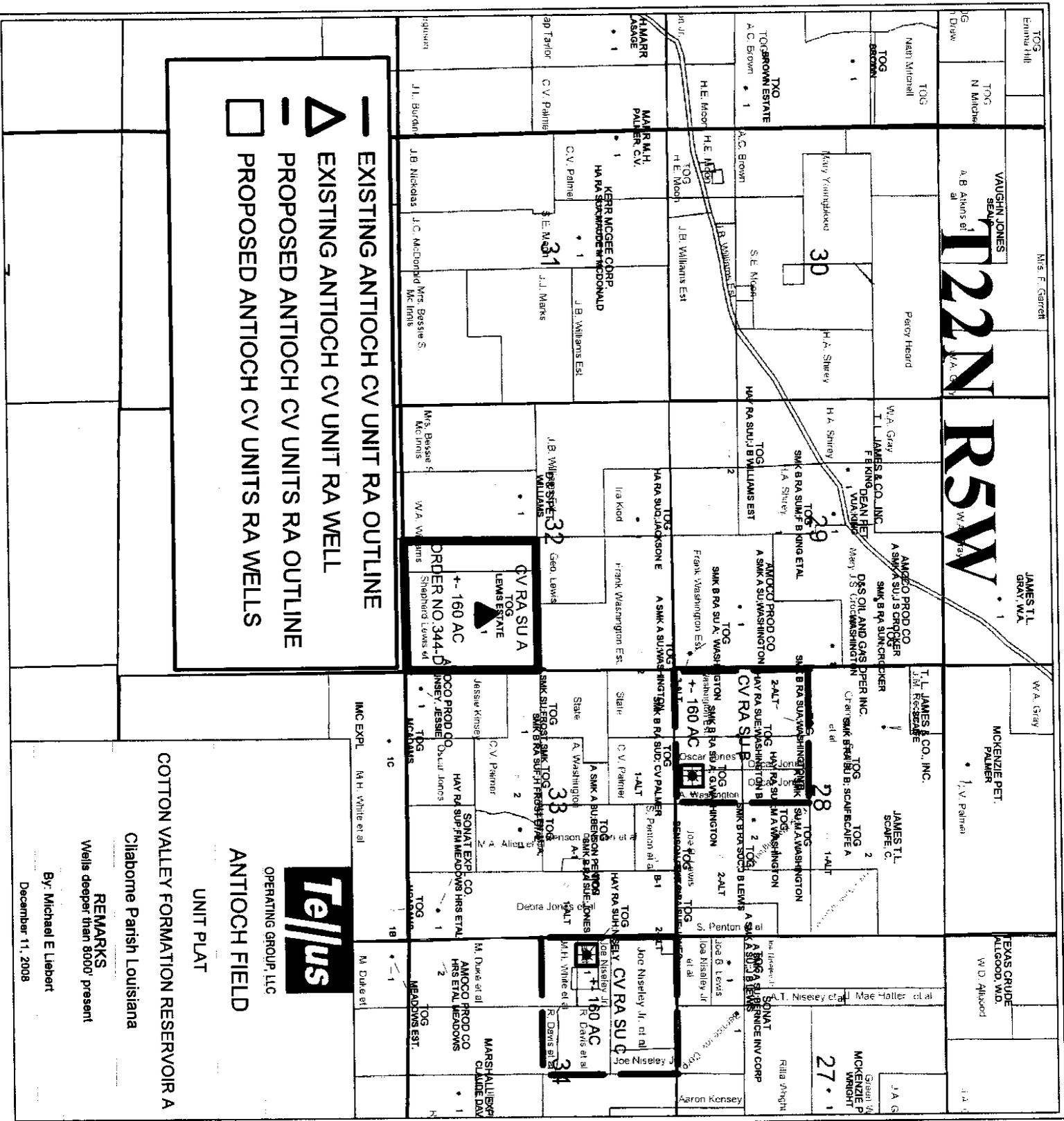
Yours very truly,

David L. Smelley

-- Attorney for Tellus Operating Group, L.L.C.

DLS:dp
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Danny Foster (w/encls.)
Mr. Mike Liebert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

T22N R5W



- EXISTING ANTIOCH CV UNIT RA OUTLINE
- △ EXISTING ANTIOCH CV UNIT RA WELL
- PROPOSED ANTIOCH CV UNITS RA OUTLINE
- PROPOSED ANTIOCH CV UNITS RA WELLS

Te//us
 OPERATING GROUP, LLC
 ANTIOCH FIELD
 UNIT PLAT

COTTON VALLEY FORMATION RESERVOIR A
 Claiborne Parish Louisiana
 REMARKS
 Wells deeper than 8000' present
 By: Michael E Liebert
 December 11, 2008