

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **THURSDAY, FEBRUARY 26, 2009**, upon the application of **J-W OPERATING COMPANY**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A, the Lower Cotton Valley Zone, Reservoir A and the Haynesville Zone, Reservoir A**, in the Elm Grove Field, Bossier 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.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within these proposed 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 a unit well for, each of the proposed units as may be appropriate.
4. To provide that with respect to any horizontal well drilled to the Haynesville Zone, Reservoir A, within these proposed units, where the horizontal lateral portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, 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.
5. To expand the provisions of Office of Conservation Order No. 361-19, effective May 18, 1999, approving downhole combination of production from the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, so as to include production from the Haynesville Zone, Reservoir A, underlying the proposed units HA RA SUW and HA RA SUX in any well in which the ownership interests in the units from which production is combined downhole are identical.
6. To extent, except as in conflict herewith, the provisions of Order No. 361-L, effective July 29, 2008, as supplemented and amended, and of all applicable Statewide Orders, to these proposed additional units.
7. To permit Applicant to drill, designate and utilize two (2) alternate unit wells for HOSS RA SU9 and CV RA SU9 and a unit well and an alternate unit well for LCV RA SUKK, at the locations shown on the plats submitted with the application, in exception to the spacing provisions of Order No. 361-A-1, effective October 1, 1972, Order No. 361-B, effective October 1, 1973 and Order No. 361-E, effective July 16, 1996.
8. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
9. To consider such other matters as may be pertinent.

The Hosston Zone, Reservoir A was defined in Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series of Orders.

The Cotton Valley Formation, Reservoir A was defined in Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series of Orders.

The Lower Cotton Valley Zone, Reservoir A was defined in Order No. 361-E, effective July 16, 1996.

The Haynesville Zone, Reservoir A was defined in Order No. 361-L, effective July 29, 2008.

Plats are available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

1/15/09;1/20/09

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.