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January 9, 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.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; Lower Cotton Valley Zone, Reservoir A;
and Haynesville Zone, Reservoir A; ELM GROVE
FIELD, Bossier Parish, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("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 Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; the Lower Cotton Valley Zone, Reservoir A; and to the Haynesville Zone, Reservoir A; all 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, such units being shown on attached plats and being designated HA RA SUW and HA RA SUX.
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 extend, except as in conflict herewith, the provisions of Office of Conservation 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 for CV RA SU9, and a unit well and an alternate unit well for LCV RA SUKK, at the locations shown on attached plats, in exception to the spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A) and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A).

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 discuss such other matters as may be pertinent to any of the proposals outlined above.

The Hosston Zone, Reservoir A, Elm Grove Field, was defined in Office of Conservation 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, in the Elm Grove Field, was defined in Office of Conservation 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, in the Elm Grove Field, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

The Haynesville Zone, Reservoir A, in the Elm Grove Field, was defined in Office of Conservation Order No. 361-L, effective July 29, 2008.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business

Honorable James H. Welsh
January 9, 2009
Page 3

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 29, 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 a pre-application conference to discuss the proposals was tentatively scheduled for January 22, 2009. The conference was not requested within the delays provided for in the Rules of Procedure; therefore the conference will not 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 each of the unit plats is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to 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 plats, 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 Elm Grove 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

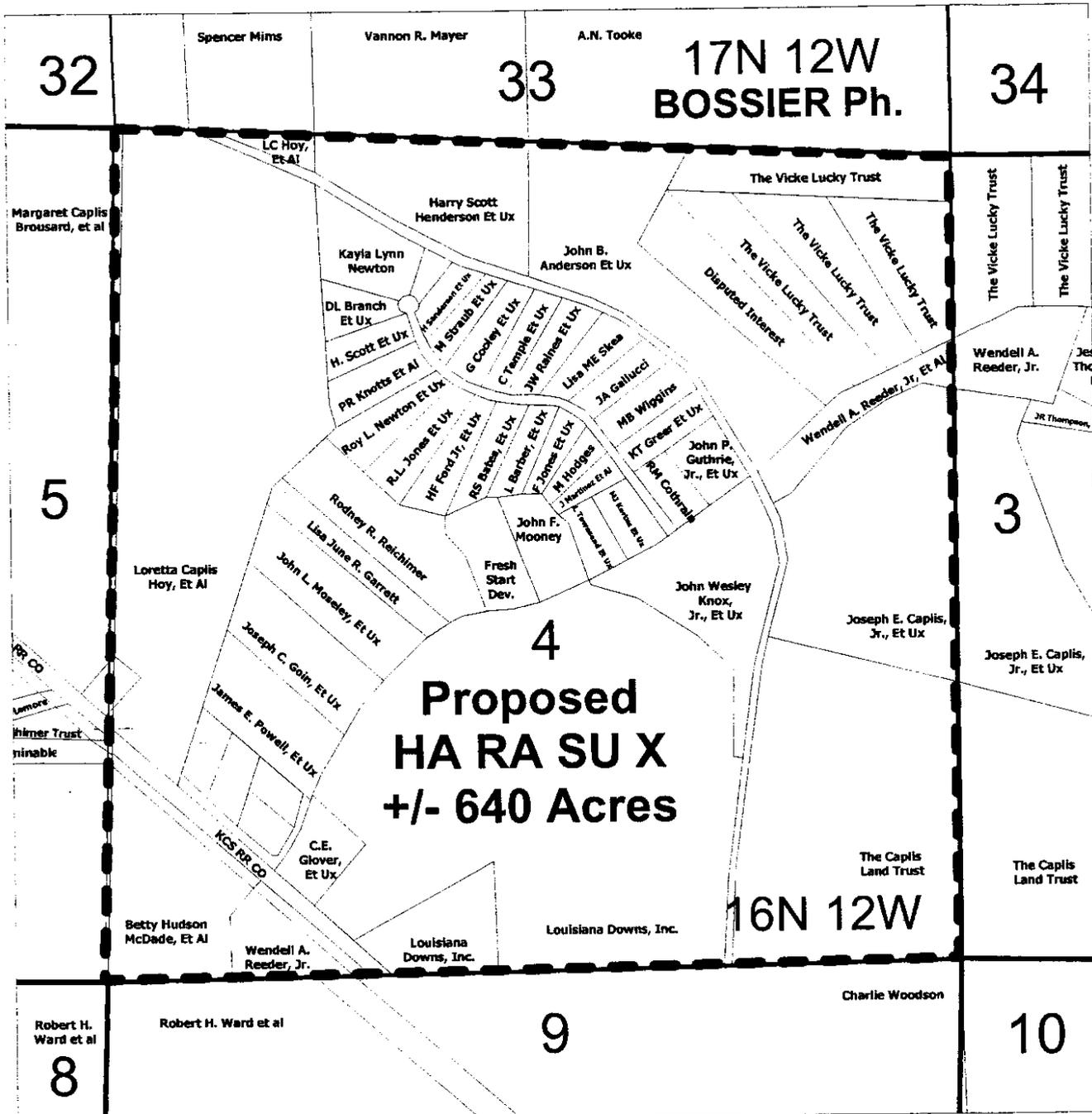
Attorney for J-W Operating Company

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DLS:dp

Enclosures

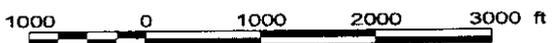
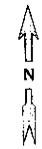
cc: Mr. James C. Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Ms. Tanya Allen (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



Note: No well will be perforated less than 330' from any unit boundary

LEGEND

— Proposed Haynesville Units
 - - - - - Posted Wells > 10,000'



JW		
JW OPERATING COMPANY P.O. BOX 135498 NALCO, TEXAS 75124-4988 OFFICE: (972) 231-4191 FAX: (972) 951-9764		
ELM GROVE FIELD Bossier Parish, La. PROPOSED UNIT HAYNESVILLE ZONE		
Date	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 1000'	08-????

32

33
HOSS RA SU 8
17N 12W

34
HOSS RA
SU 7

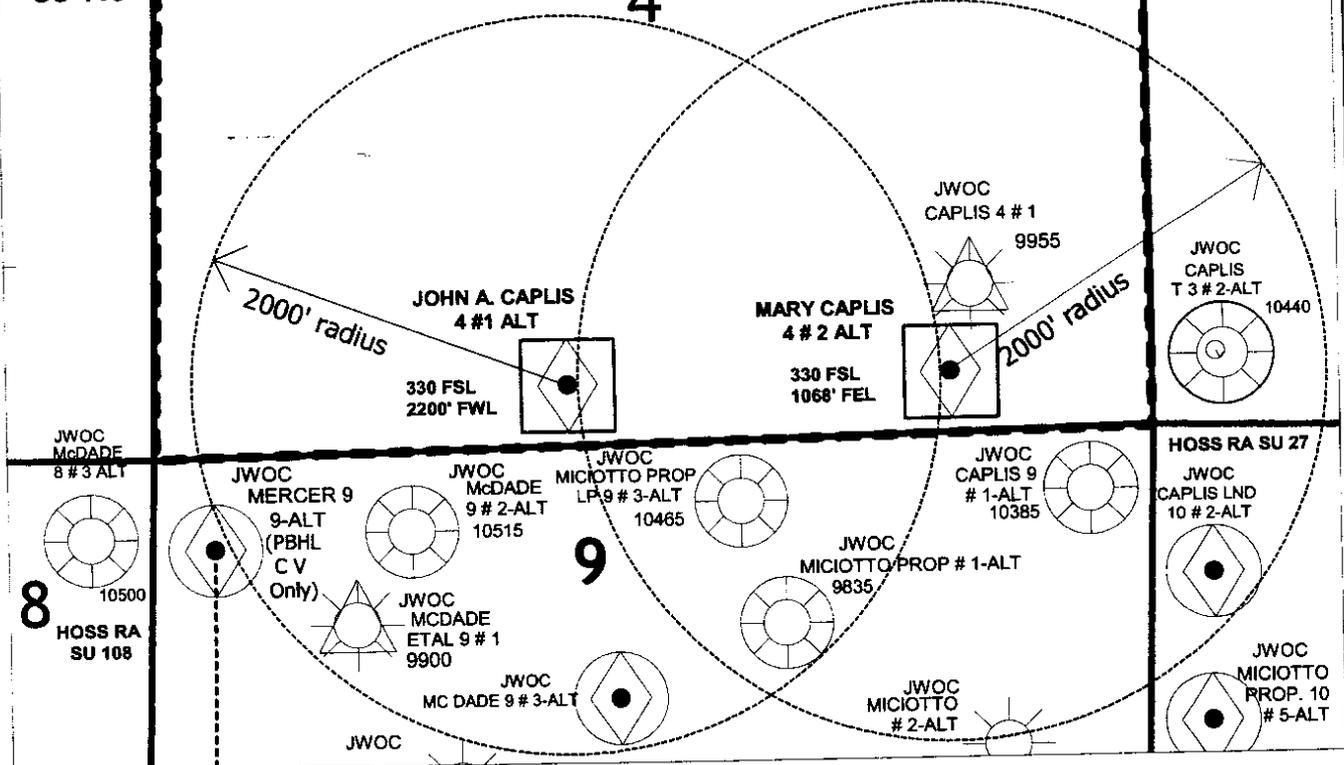
16N 12W

HOSS RA SU 9
BOSSIER Ph.

5
HOSS RA
SU 115

3
HOSS RA
SU 10

4



8
HOSS RA
SU 108

HOSS RA SU 27
JWOC
CAPLIS LND
10 #2-ALT

LEGEND

- Existing Units 361-A Series
- Proposed Alternate Unit Well
- Unit Well
- Approved Alternate Unit Well
- Posted Wells > 8,000'



JWOC

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ELM GROVE FIELD
Bossier Ph., La.

**PROPOSED ALTERNATE UNIT WELLS
HOSSTON ZONE**

Date	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 1000'	08-??

32
CV RA
SU 3

33
CV RA SU 8
17N 12W

34
CV RA
SU 7

16N 12W

CV RA SU 9
BOSSIER Ph.

5
CV RA
SU 134

4

3
CV RA
SU 10

JWOC
McDADE
8 # 3 ALT

8
CV RA
SU 128

JWOC
MERCER 9
9-ALT
(PBHL)

JWOC
McDADE
9 # 2-ALT
10515

CV RA 9
SU 28

JWOC
McDADE
ETAL 9 # 1
9900

JWOC
MC DADE 9 # 3-ALT

JWOC
LMA LAND 9 # 1-ALT

JWOC
MICIOTTO PROP
LP 9 # 3-ALT
10465

MARY CAPLIS
4 # 2 ALT
330 FSL
1068' FEL

JWOC
CAPLIS 4 # 1
9955

JWOC
CAPLIS 9
1-ALT
10385

JWOC
MICIOTTO PROP # 1-ALT
9835

JWOC
MICIOTTO
2-ALT
10298

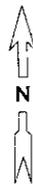
JWOC
CAPLIS
T 3 # 2-ALT
10440

CV RA SU 27
JWOC
CAPLIS LND
10 # 2-ALT

JWOC
MICIOTTO
PROP. 10
5-ALT

LEGEND

- Existing Units 361-B Series
- Proposed Alternate Unit Well
- Unit Well
- Approved Alternate Unit Well
- Posted Wells > 8,000'

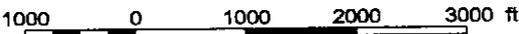


J-W OPERATING COMPANY
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FAX: (972) 991-0704

ELM GROVE FIELD
Bossier Ph., La.

PROPOSED ALTERNATE UNIT WELLS
COTTON VALLEY ZONE

Date	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 1000'	08-????



32

17N 12W
33

34

16N 12W
LCV RA SU KK
BOSSIER Ph.

5
LCV RA
SU 125

4

3
LCV RA
SU JJ

8
LCV RA
SU LL

9
LCV RA
SU MM

10
LCV RA
SU NN

JWOC
JESSE THOMPSON
3 # 1-ALT



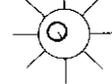
JWOC
CAPLIS 4 # 1
9955

MARY CAPLIS
4 # 2 ALT

330 FSL
1068' FEL



JWOC
CAPLIS
T 3 # 2-ALT
10440



JOHN A. CAPLIS
4 # 1 ALT

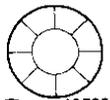
330 FSL
2200' FWL



2000' radius

2000' radius

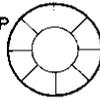
JWOC
McDADE
8 # 3 ALT



JWOC
McDADE
9 # 2-ALT
10515



JWOC
MICIOTTO PROP
LP 9 # 3-ALT
10465



JWOC
CAPLIS 9
1-ALT
10385



JWOC
MICIOTTO PROP # 1-ALT
9835



JWOC
CAPLIS LND
10 # 2-ALT



JWOC
MC DADE 9 # 3-ALT



JWOC
MICIOTTO
2-ALT
10298

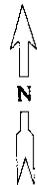


JWOC
LMA LAND 9 # 1-ALT



LEGEND

- Existing Units 361-E Series
- Proposed Unit Well
- Proposed Alternate Unit Well
- Unit Well
- Approved Alternate Unit Well
- Posted Wells > 8,000'



1000 0 1000 2000 3000 ft



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ELM GROVE FIELD
Bossier Ph., La.

PROPOSED UNIT WELL AND
ALTERNATE UNIT WELLS
LOWER COTTON VALLEY ZONE

Date	Witness:	Docket No.
Exhibit 1	Joe Adams	08-7777

Scale: 1" = 1000'