

BOB F. ANDERSON, PE, INC.
PETROLEUM ENGINEERS & CONSULTANTS
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January 8, 2009

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P O Box 94275
Baton Rouge, Louisiana 70804-9275

Re: Application for Public Hearing
Proposed Hill Sand, Reservoir B Unit
Caddo Pine Island Field
Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **JAG OPERATING, LTD.**, (Applicant) to the Commissioner Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hill Sand, Reservoir B, Caddo Pine Island Field, Caddo Parish, Louisiana:

1. To create one 160 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the Hill Sand, Reservoir A, in the Caddo Pine Island Field, Caddo Parish, Louisiana, such unit being designated H RB SUA, such unit shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage basis of participation.
3. To provide that future wells to be drilled to the Hill Sand, Reservoir B, in the Caddo Pine Island Field, Caddo Parish, Louisiana be located at least 330' from unit lines and 660 feet between wells.
4. To provide for the reclassification of the reservoir if the producing characteristics should change without the necessity of a public hearing if sufficient evidence is presented to and accepted by the Commissioner of Conservation to warrant a change.
5. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

Hon. James H. Welsh
Caddo Pine Island Field
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The Hill Sand, Reservoir A, in the Caddo Pine Island Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 122-T, effective June 7, 1987.

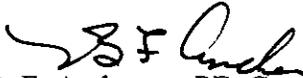
The pertinent data pertaining to this Application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A conference to discuss the proposed Application was held on October 16, 2008 and a list of parties attending the conference is attached. Mr. Ralph Richardson and Mr. R. Stacy Williams, on behalf of C.W. Lane Co., Inc. objected to a proposed well location on their property and also pointed out the Applicant did not have a lease on their property. A letter dated October 21, 2008, was sent to the Commissioner of Conservation and to the undersigned stating their objections to the proposed establishment of a unit for the Hill Sand, Reservoir B. The C. W. Lane Co., Inc. has not granted the Applicant a six (6) month lease. Due to the Applicant obtaining a lease from the C. W. Lane Co., Inc., we do not anticipate a contested hearing on this application.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this Application is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation. A copy of this letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

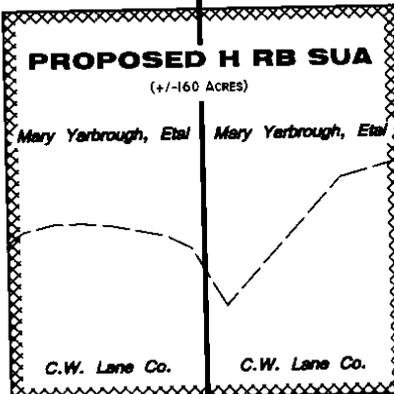

B. F. Anderson, PE, Consultant for
JAG OPERATING, LTD

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

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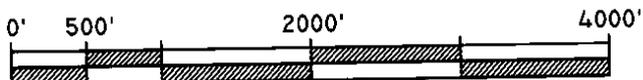
JAG OPERATING, LTD

CADDO PINE ISLAND FLD.

BOSSIER PARISH, LOUISIANA

UNIT PLAT SHOWING
PROPOSED HILL
RESERVOIR B UNIT

SHALLOW WELLS NOT SHOWN



DOCKET NO. 08-

EXHIBIT NO. 1