

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

March 13, 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.

Haynesville Zone, Reservoir A, SHREVEPORT
FIELD, Caddo 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 Haynesville Zone, Reservoir A, in the Shreveport Field, Caddo Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, and to create a single drilling and production unit for the Haynesville Zone, Reservoir A, such unit being shown on the attached plat and being designated HA RA SUA.

2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.

3. To designate an operator of, and unit well for, the proposed unit as may be appropriate.

4. To propose that future wells drilled to the Haynesville Zone, Reservoir A, within or outside of the unit proposed herein, be located no closer than 330 feet to any unit line and no closer than 660 feet to any well completed in, drilling to, or for which a permit has been granted to drill to the Haynesville Zone, Reservoir A, and to provide that with respect to horizontal wells drilled to the Haynesville Zone within this proposed unit, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, 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 of the well in the Haynesville Zone.

5. To define the Haynesville Zone, Reservoir A, as the stratigraphic equivalent of that interval encountered between the depths of 10,100 feet and 11,487 feet (electrical log measurements) in the Chesapeake Operating, Inc.--SRLT 29 No. 1 Well, located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

6. To consider such other matters as may be pertinent to these proposals.

Any pertinent data concerning this application will be 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 any such data should call Mr. Joseph Johnson at (601) 898-7444 during normal 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 February 16, 2009, 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 with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on March 13, 2009, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

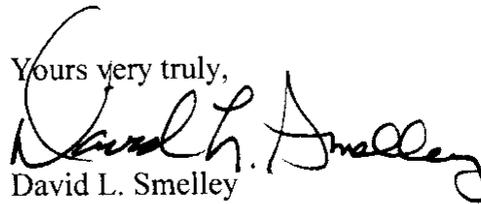
The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following this presentation there was a general question and answer period relating to the proposals of Applicant; after which the conference was adjourned with no opposition having been expressed and no counterplan presented.

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 unit 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 the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Honorable James H. Welsh
March 13, 2009
Page 3

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 Shreveport 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. Joseph Johnson (w/encls.)
Mr. Danny Foster (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

§

26

State of Louisiana

T
18
N

R 15W

R 14W

Woolworth Foundation

State of Louisiana

25

30

Poindexter

Lake Point Island

Woolworth Foundation

Robert G. Pugh

State of Louisiana

Lake Point Subdivision

Mabry-Hamiter
Subdivision

HAY RA SU A
+/- 638.8 acres

State of Louisiana

State of Louisiana

35

36

31

State of Louisiana

State of Louisiana

State of Louisiana

Proposed Unit

 HAY RA SU A

Tellus Operating Group, LLC

Shreveport Field

Caddo Parish, Louisiana

Proposed Unit

Haynesville Zone, Reservoir A

0 490 980 1,960 2,940



Geology: Joseph Johnson

Note: Only wells deeper than 10,000' are shown on plat.