

# BLANCHARD WALKER

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BLANCHARD, WALKER, O'QUIN & ROBERTS  
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**WM. TIMOTHY ALLEN, III**

Direct: 318.934.0217

Email: tallen@bwor.com

March 26, 2009

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

RE: HEARING APPLICATION  
Exception to Statewide Order No. 29-E for VUA Unit Wells  
Downhole Combination of Haynesville Sand, Reservoir B and  
Smackover "A" Zone  
Live Oak Energy, Inc.- Reed No. 1 and Reed No.2 Wells  
East Haynesville Field  
Claiborne Parish, Louisiana  
Our File No. 566032.7

Dear Sir:

On behalf of LIVE OAK ENERGY, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Sand, Reservoir B and Smackover "A" Zone, in the East Haynesville Field, Claiborne Parish, Louisiana:

1. To permit the applicant to designate and utilize the Live Oak Energy, Inc.- Reed No. 1 Well, which is currently completed in the Haynesville Sand, Reservoir B, at the location shown on the plat attached hereto, as a unit well for the Voluntary Unit comprising the SE/4 of Section 29, Township 23 North, Range 7 West, Claiborne Parish, Louisiana (hereinafter the "VUA"), in exception to the well spacing provisions of Office of Conservation Statewide Order No. 29-E;
2. To permit the applicant to designate and utilize the Live Oak Energy, Inc.- Reed No. 2 Well, which is currently producing from the Haynesville Sand, Reservoir B, at the location shown on the plat attached hereto, as a unit well for the VUA, in exception to the well spacing provisions of Office of Conservation Statewide Order No. 29-E;
3. To explicitly find that the proposed VUA unit wells are in the interest of conservation and are necessary to drain a portion of the Haynesville Sand, Reservoir B, in the East Haynesville Field underlying the proposed VUA, which cannot be efficiently and economically drained by any existing well in such VUA.

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4. To permit the downhole combination of production from the Smackover "A" Zone and Haynesville Sand, Reservoir B, with respect to the Live Oak Energy, Inc. - Reed No. 1 Well and any other well drilled and completed in SMK A SUH and the VUA, in which the acreage and ownership interests in the units from which production is combined downhole are identical;
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Sand, Reservoir B, in the East Haynesville Field, Claiborne Parish, Louisiana, is fully defined in Office of Conservation Order No. 105-J-1, April 25, 1990.

The Smackover "A" Zone, in the East Haynesville Field, was fully defined in Office of Conservation Order No. 105-C, effective August 29, 1949.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, 400 Texas Street, Suite 1400, Chase Tower, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Wm. Timothy Allen III (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By:   
Wm. Timothy Allen III  
Attorneys for Live Oak Energy, Inc.

WTAlII:kmw  
Enclosures

- cc: Mr. James C. Broussard, Shreveport  
District Manager, Office of Conservation  
(w/enclosures)
- cc: Interested Owners, Represented Parties  
and Interested Parties (w/copy of plat only)

Mcelwee W.T.  
Mitchiner, M.B. 1  
10730

Ohio-Gulf-Hunt  
Mitchiner 1  
10823

Pan Am  
Meadows, A.D. 1  
10686

Douglas-Ohio-Gulf L.A.  
Browning-Miller 1  
10490

Joe B. White  
Tinsley, J.N. 2  
10439

Joe B. White  
Tinsley, J.N. 1  
10565

Live Oak Energy  
Reed 2  
10600

Ohio Oil  
Meadows, A.D. 1  
10591

**SMK A SUH (Oil)**  
Live Oak Energy  
Reed 1  
11400  
+/-40ac

John J. Welsh  
Browning 2  
10902

John J. Welsh  
Browning 3  
10902

John Welsh (Crescent)  
Browning, W.E. 1  
10902

**VUA**  
+/-160ac

**SMK A SUA**  
+/-160ac

 VUA (Haynesville) Unit Well  
 SMK A Unit Wells  
 Existing VUA  
 SMK A SUH (Oil)  
 Existing SMK A Gas Units

0' 1000' 2000'

Exhibit No. \_\_\_\_\_ Docket No. \_\_\_\_\_

**LIVE OAK ENERGY, INC.**  
**EAST HAYNESVILLE FIELD**

Claiborne Parish, Louisiana  
**UNIT PLAT**  
(EXCEPTIONAL UNIT WELLS TO STATEWIDE ORDER NO. 29-E  
& DOWNHOLE COMBINATION)  
(SMACKOVER A & HAYNESVILLE)

Date: \_\_\_\_\_  
Witness: Joe B. Adams

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T23N + R7W

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