

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

April 27, 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, Caddo and Bossier Parishes, 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, Caddo and Bossier Parishes, 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 the attached plat and being designated HA RA SU67 and HA RA SU68.
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 within these proposed units, where the horizontal lateral 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 expand the provisions of Office of Conservation Order No. 361-74, effective October 18, 2005, approving downhole combination of production from the Hosston Zone, Reservoir A, underlying HOSS RA SU82; the Cotton Valley Formation, Reservoir A, underlying CV RA SU85; and the Lower Cotton Valley Zone, Reservoir A, underlying LCV RA SU90; so as to include production from the Haynesville Zone, Reservoir A, underlying the proposed unit HA RA SU68, in any well in which the ownership interests in the units from which production is combined downhole are identical.

6. To approve the downhole combination of production from the Hosston Zone, Reservoir A, underlying HOSS RA SU91; the Cotton Valley Formation, Reservoir A, underlying CV RA SU86; the Lower Cotton Valley Zone, Reservoir A, underlying LCV RA SU89; and the Haynesville Zone, Reservoir A, underlying the proposed unit HA RA SU67; or any combination thereof, in any well in which the ownership interests in the units from which production is combined downhole are identical.

7. 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 by the Order No. 361-L series of Orders, and of all applicable Statewide Orders, to the proposed additional units for the Haynesville Zone, Reservoir A.

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

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

The Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, 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 hours in order to arrange a date and time for such inspection. A copy of any such pertinent data

Honorable James H. Welsh
April 27, 2009
Page 3

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.

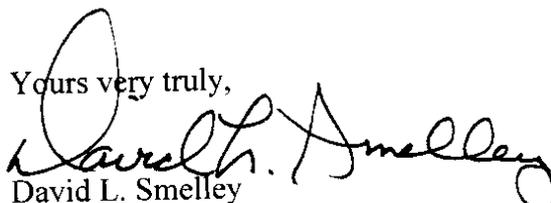
By letter dated April 15, 2009, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set May 7, 2009, as the tentative date for the pre-application conference. No conference request was received within the delays provided for in the Rules of Procedure; accordingly, no pre-application conference will 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 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 each of 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 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 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,

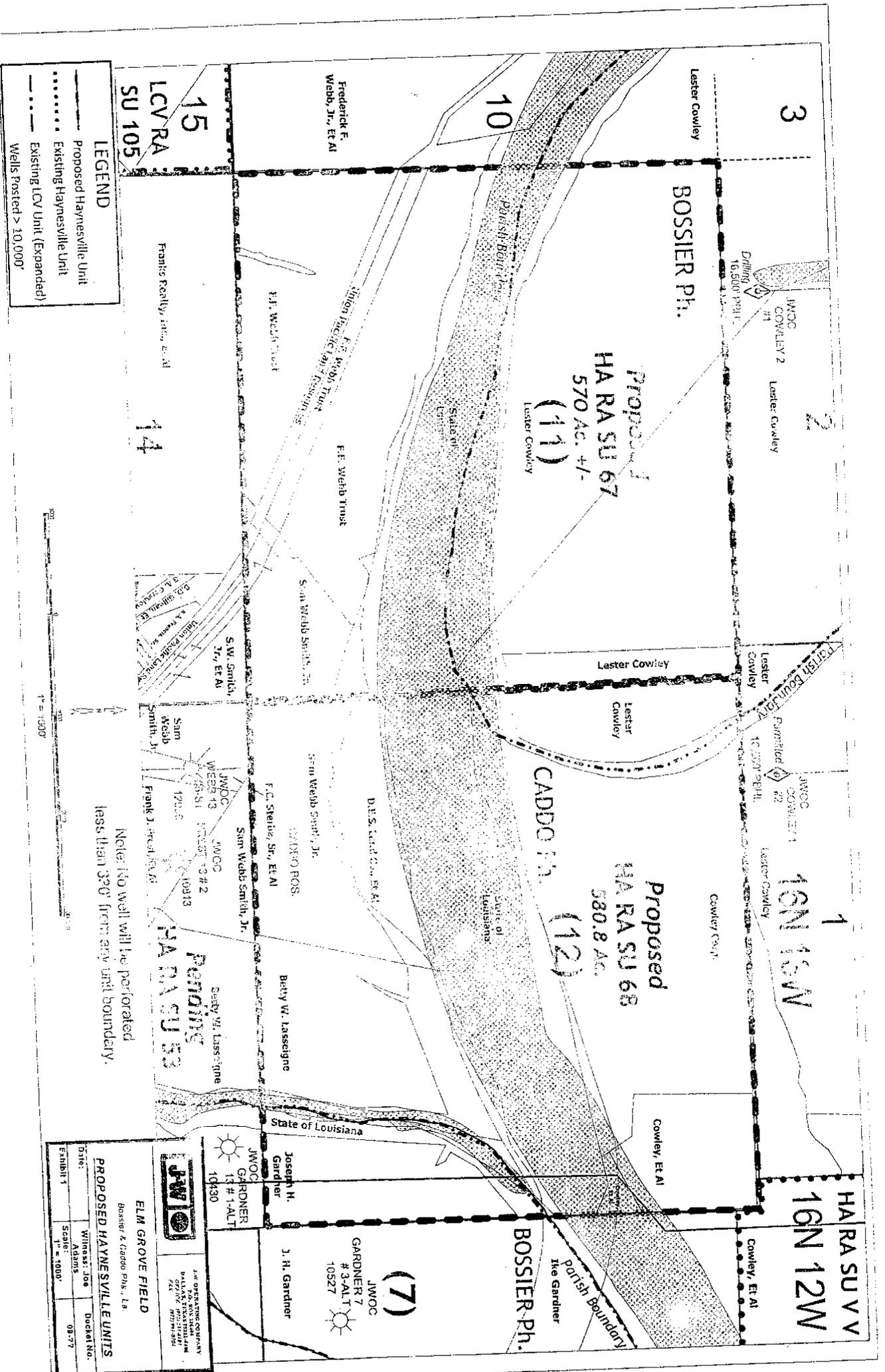


David L. Smelley
-- Attorney for J-W Operating Company

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/plat only)



LEGEND

- Proposed Haynesville Unit
- Existing Haynesville Unit
- - - Existing LCV Unit (Expanded)
- Wells Posted > 10,000'

1" = 1000'

Note: No well will be perforated less than 350' from any unit boundary.

		J.W. GARDNER COMPANY 5415 N. STATE STREET SUITE 200 DALLAS, TEXAS 75246 (214) 353-1200	
ELM GROVE FIELD Bossier & Caddo Pkts., La.			
PROPOSED HAYNESVILLE UNITS			
Date:	Witness: Joe Adams	Docket No.	08-77
Exhibit 1	Scale: 1" = 1000'		

JMWOC GARDNER 7 #3-ALT 10527
 JMWOC GARDNER 13 #1-ALT 10430
 J.H. Gardiner

JMWOC CONWELLY 2 16,500' 29811
 JMWOC WEED 13 #2 10813
 JMWOC WEED 13 #1 10813
 Betty W. Lasseigne

JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 Lester Cowley

JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 Lester Cowley

JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 Lester Cowley

JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 JMWOC CONWELLY 1 16,500' 29811
 Lester Cowley