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(A PROFESSIONAL LAW CORPORATION)

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MAGAN F. CAUSEY
JULIANNA PETCHAK PARKS
CHAD E. SEPULVADO
B. LEE CARR, JR.

May 4, 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; Cotton Valley Formation, Reservoir A; and Hosston Formation, Reservoir B; NORTH GRAND CANE FIELD, DeSoto Parish, Louisiana.

Dear Sir:

BEUSA ENERGY, INC. ("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 Haynesville Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Hosston Formation, Reservoir B; in the North Grand Cane Field, DeSoto Parish, Louisiana:

1. To create three (3) 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 SUS through HA RA SUU.
2. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SUG and CV RA SUH.
3. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir B, such units being shown on an attached plat and being designated HOSS RB SUG and HOSS RB SUH.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional 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.
5. To designate a unit operator of, and unit well for, each of the proposed additional units as may be appropriate.
6. To provide that for any horizontal well drilled within the proposed units for the Haynesville Zone, Reservoir A, 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.

7. To expand the provisions of Office of Conservation Order No. 855-1, effective February 13, 2007, authorizing downhole combination of production from the Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir B, with respect to previously created units for such formations which are identical to the proposed unit HA RA SUS, so as to include production from the Haynesville Zone, Reservoir A, in any well in which the interests in the units from which production is to be combined downhole are identical.

8. To permit Applicant to combine downhole production from the Haynesville Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and from the Hosston Formation, Reservoir B; or any combination thereof, in any well drilled on the proposed additional units for these intervals in which the ownership interests in the units from which production is to be combined downhole are identical.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 855-E, effective July 29, 2008, to the proposed additional units for the Haynesville Zone, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 855-D, effective February 13, 2007, to the proposed additional units for the Cotton Valley Formation, Reservoir A.

11. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 855-C-1, effective February 13, 2007, to the proposed additional units for the Hosston Formation, Reservoir B.

12. To discuss such other matters as may be pertinent.

The Haynesville Zone, Reservoir A, in the North Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 855-E, effective July 29, 2008.

The Cotton Valley Formation, Reservoir A, in the North Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 855-D, effective February 13, 2007.

The Hosston Formation in the North Grand Cane Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 855-C, effective November 1, 1979.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person desiring to inspect any such data should call Mr. Louis Gilbert

Honorable James H. Welsh
May 4, 2009
Page 3

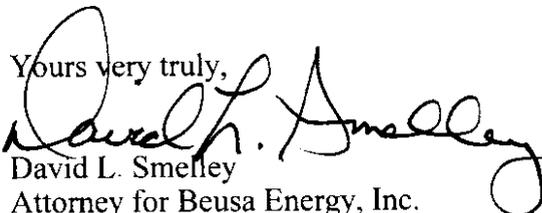
at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated April 21, 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 tentatively scheduled for May 14, 2009. No request for the pre-application conference was received within the time provided in the Rules of Procedure; therefore, no conference will be held.

Attached hereto are plats showing the proposed units (which are identical to the plats attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

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 North Grand Cane Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

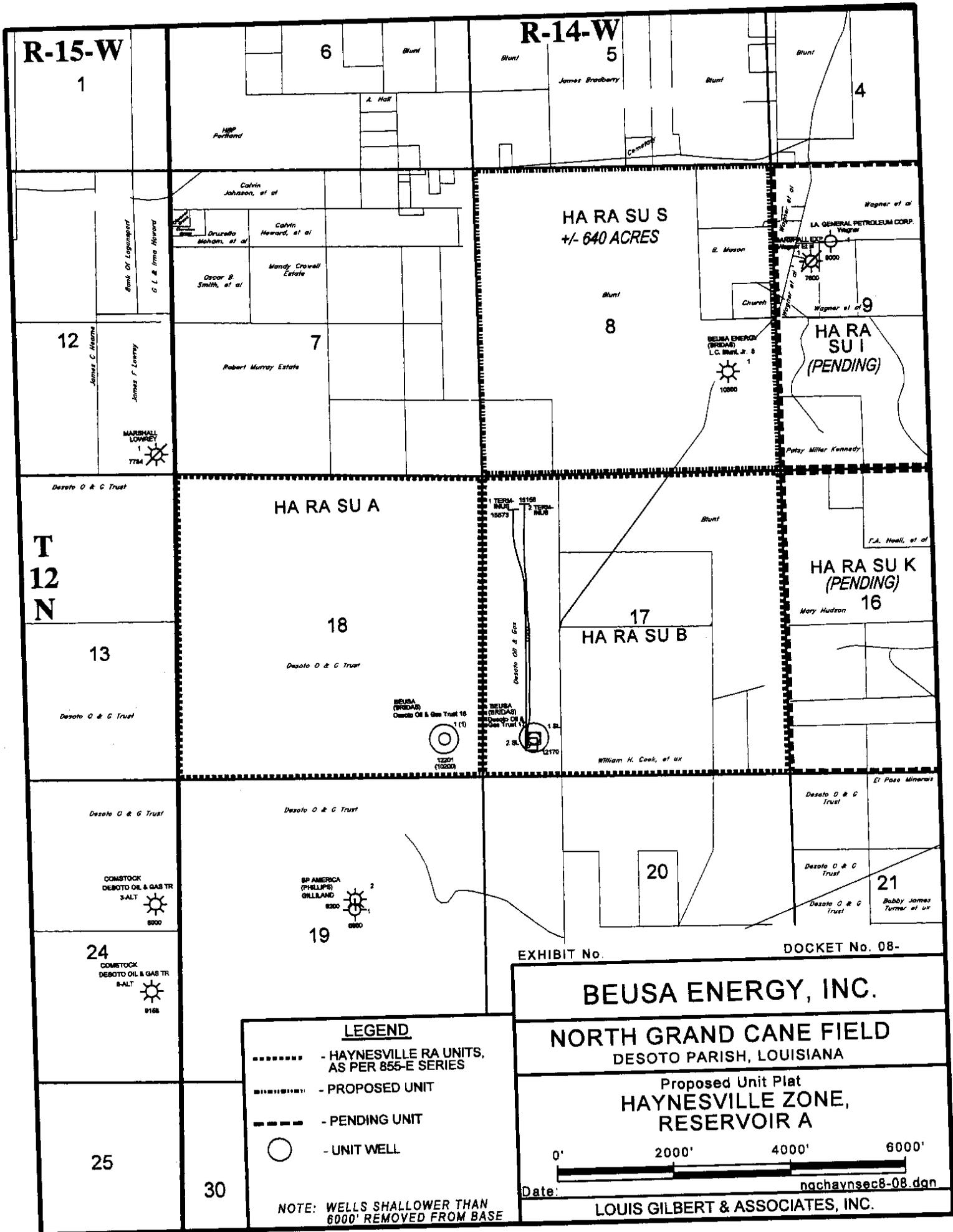
Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley
-- Attorney for Beusa Energy, Inc.

DLS:dp

Enclosures

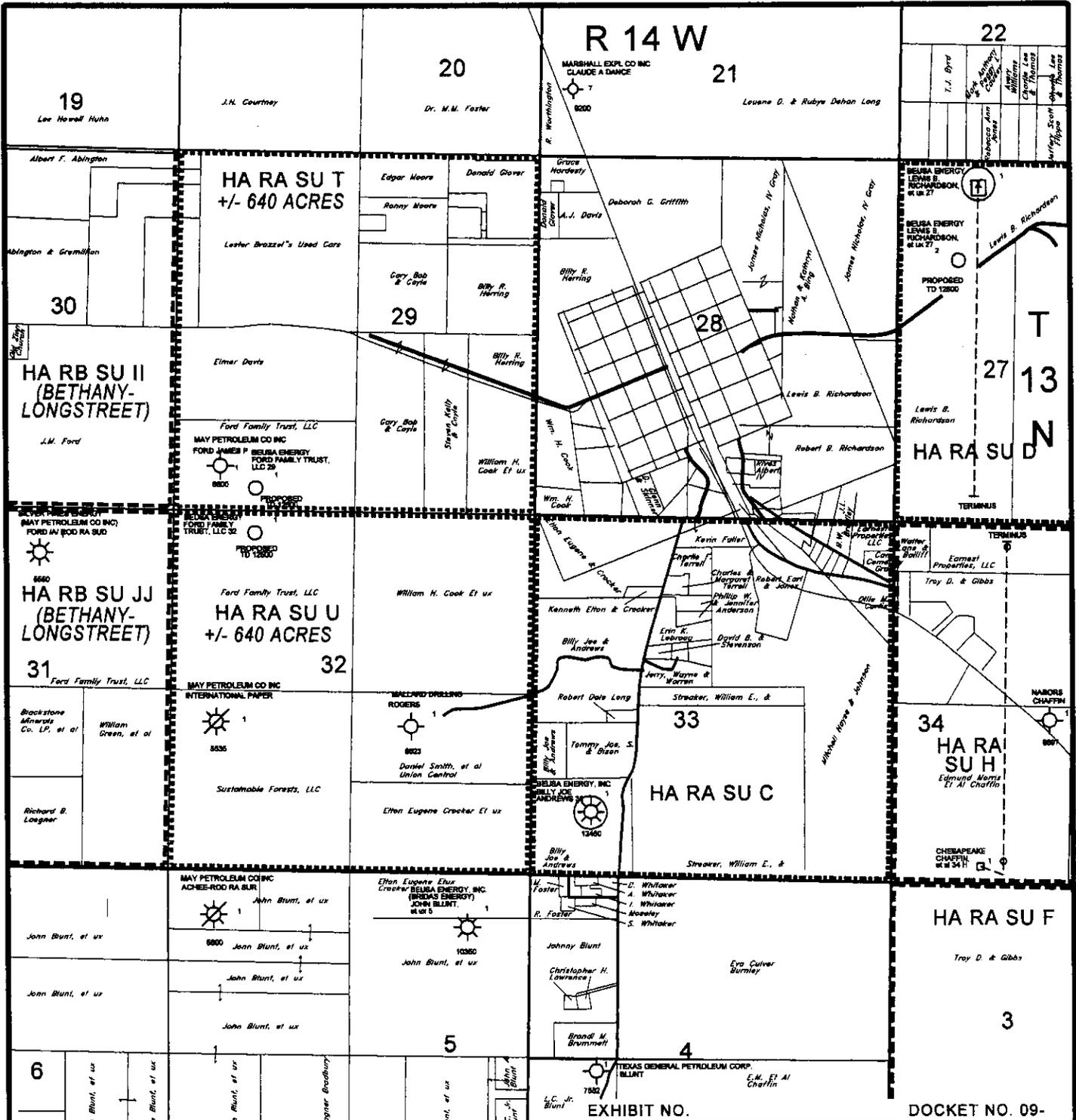
cc: Mr. James C. Broussard (w/encl.)
Ms. Linda McGowen (w/encl.)
Mr. Jeff Reagan (w/encl.)
Mr. Louis Gilbert (w/encl.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



LEGEND

- - HAYNESVILLE RA UNITS, AS PER 855-E SERIES
- - PROPOSED UNIT
- - PENDING UNIT
- - UNIT WELL

NOTE: WELLS SHALLower THAN 6000' REMOVED FROM BASE



LEGEND

- - HAYNESVILLE UNIT, APO 855-E
- - PROPOSED UNIT
- - UNIT WELL

WELLS SHALLOWER THAN 6500'
REMOVED FROM BASE

EXHIBIT NO. _____ DOCKET NO. 09-

BEUSA ENERGY, INC.

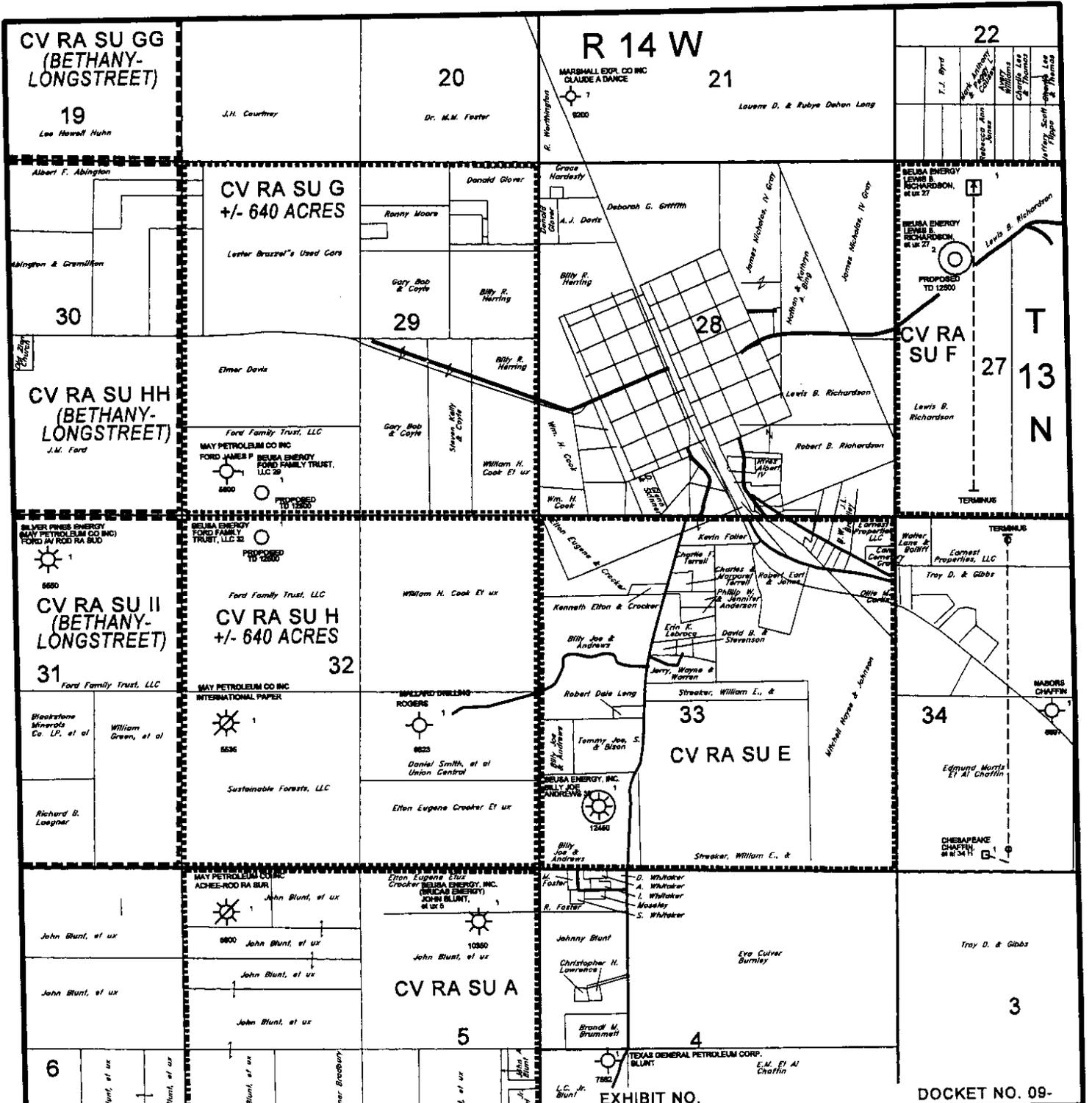
NORTH GRAND CANE FIELD
DESOTO PARISH, LOUISIANA

Proposed Unit Plat
HAYNESVILLE ZONE,
RESERVOIR A

0' 2000' 4000' 6000'

Date: _____ NGRCANSE28-09.DGN

LOUIS GILBERT & ASSOCIATES, INC.



LEGEND

- - - - - COTTON VALLEY RA UNITS AS PER 855-D SERIES OF ORDERS
- - - - - PROPOSED UNIT
- - UNIT WELL

WELLS SHALLOWER THAN 6500'
REMOVED FROM BASE

BEUSA ENERGY, INC.

NORTH GRAND CANE FIELD
DESOTO PARISH, LOUISIANA

Proposed Unit Plat
COTTON VALLEY FORMATION,
RESERVOIR A

0' 2000' 4000' 6000'

Date: _____ NGRCANSEC28-09.DGN

LOUIS GILBERT & ASSOCIATES, INC.

EXHIBIT NO. _____ DOCKET NO. 09-

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CV RA SUB B 8

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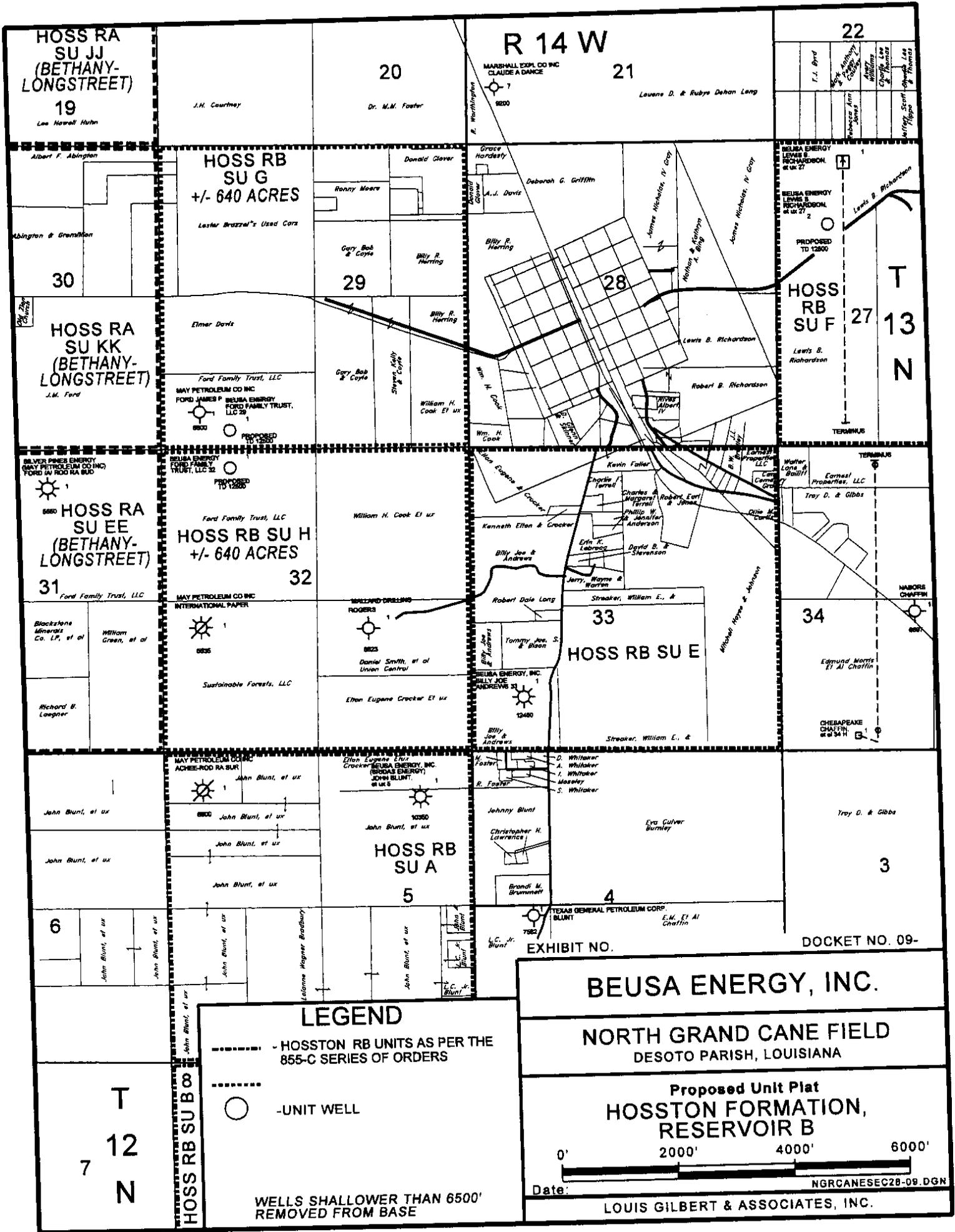
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**HOSS RA
SU JJ
(BETHANY-
LONGSTREET)**
19
Lee Howell Huhn

J.M. Courtney

20
Dr. M.M. Foster

R 14 W
MARSHALL EXPL CO INC
CLAUDE A DANCE
21
9200
Louane D. & Ruby Dehan Lang

22

**HOSS RB
SU G
+/- 640 ACRES**
Lester Brazzil's Used Cows

**HOSS RB
SU F** 27
Lests B. Richardson
TERMINUS

**HOSS RA
SU KK
(BETHANY-
LONGSTREET)**
J.M. Ford

Ford Family Trust, LLC
MAY PETROLEUM CO INC
FORD JAMES P BEUSA ENERGY
FORD FAMILY TRUST,
LLC 28
PROPOSED
TO 12800

Ford Family Trust, LLC
**HOSS RB SU H
+/- 640 ACRES** 32
MAY PETROLEUM CO INC
INTERNATIONAL PAPER
PROPOSED
TO 12800

SILVER PINES ENERGY
(MAY PETROLEUM CO INC)
FORD W ROO RA BUD
6800
**HOSS RA
SU EE
(BETHANY-
LONGSTREET)**
31
Ford Family Trust, LLC

Blackstone Minerals Co. LP, et al
William Green, et al
Richard B. Loegner
Sustainable Forests, LLC

WILLIAMS DRILLING
ROGERS
6825
Daniel Smith, et al
Union Central

HOSS RB SU E 33
Streaker, William E., &
Tommy Joe S. & Blain

34
Edmund Morris
Et Al Chaffin
CHESAPEAKE CHAFFIN
et al 34 H

**HOSS RB
SU A** 5
John Blunt, et ux

BEUSA ENERGY, INC.
BILLY JOE
ANDREWS 31
12480
Streaker, William E., &

TEXAS GENERAL PETROLEUM CORP.
BLUNT
7882
E.M. Et Al Chaffin

LEGEND
- - - - - HOSSTON RB UNITS AS PER THE
855-C SERIES OF ORDERS
○ -UNIT WELL
WELLS SHALLOWER THAN 6500'
REMOVED FROM BASE

BEUSA ENERGY, INC.
NORTH GRAND CANE FIELD
DESOTO PARISH, LOUISIANA
Proposed Unit Plat
HOSSTON FORMATION,
RESERVOIR B
0' 2000' 4000' 6000'
Date: _____ NGRCANSEC28-09.DGN
LOUIS GILBERT & ASSOCIATES, INC.

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HOSS RB SU B 8

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DOCKET NO. 09-