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May 22, 2009

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Additional Alternate Unit Well
Lower Cotton Valley Zone, Reservoir A
Proposed Unit Well
Hosston Zone, Reservoir A and
Cotton Valley Formation, Reservoir A
Elm Grove Field
Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **CAMTERRA RESOURCES, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Lower Cotton Valley Zone, Reservoir A, the Hosston Zone, Reservoir A and the Cotton Valley Formation, Reservoir A, Elm Grove Field, Caddo Parish, Louisiana:

FOR THE LOWER COTTON VALLEY ZONE, RESERVOIR A:

1. To permit the Applicant to drill, designate and utilize a horizontal lateral as an alternate unit well for the production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, in exception to the spacing provisions of the 362-E Series of Office of Conservation Orders, in the unit designated LCV RA SU116, such unit and proposed wells shown on the attached plat and being made a part hereof.
2. To permit the proposed horizontal lateral alternate unit well to perforate the Lower Cotton Valley Zone, Reservoir A, in the unit designated LCV RA SU116, at least 330' from a unit boundary and to terminate the horizontal lateral at least 330 feet from a unit boundary.
3. To find that an additional alternate unit well is necessary on the LCV RA SU116 to assist in draining a portion of the Lower Cotton Valley Zone, Reservoir A, that cannot be drained by any other well located within the unit.

4. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit well or from a combination of all wells at its discretion.

FOR THE HOSSTON ZONE, RESERVOIR A:

1. To permit the Applicant to drill, designate and utilize a unit well, in exception to the spacing provisions of the 361-A Series of Office of Conservation Orders, for the production of gas and condensate from the Hosston Formation, Reservoir A, in the unit designated HOSS RA SU141, such unit and well shown on the attached plat and made a part hereof.
2. To find that a unit well, at the location shown on the attached plat, can efficiently and effectively drain the Hosston Formation, Reservoir A, in the unit designated HOSS RA SU141.

COTTON VALLEY FORMATION, RESERVOIR A:

1. To permit the Applicant to drill, designate and utilize a unit well, in exception to the spacing provisions of the 361-B Series of Office of Conservation Orders, for the production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the unit designated CV RA SU152, such unit and well shown on the attached plat and made a part hereof.
2. To find that a unit well, at the location shown on the attached plat, can efficiently and effectively drain the Cotton Valley Zone, Reservoir A, in the unit designated CV RA SU152.

FOR THE LOWER COTTON VALLEY ZONE, RESERVOIR A, THE HOSSTON ZONE, RESERVOIR A AND THE COTTON VALLEY FORMATION, RESERVOIR A:

1. To permit the unit operator to downhole combine the production from the Lower Cotton Valley Zone, Reservoir A, the Hosston Zone, Reservoir A and the Cotton Valley Formation, Reservoir A, in any existing and/or future well that may be drilled in the units designated LCV RA SU116, CV RA SU152 and the HOSS RA SU141, providing the working and royalty interests are identical.
2. To consider and cover such other matters as the Commissioner of Conservation may deem and appropriate.

Hon. James H. Welsh
Elm Grove Field
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The Lower Cotton Valley Zone, Reservoir A, was defined in Office of Conservation Order No.361-E, effective July 16, 1996, the Hosston Zone, Reservoir A, was defined in the 361-A Series of Office of Conservation Orders and the Cotton Valley Formation, Reservoir A, was defined in the 361-B Series of Office of Conservation Orders in the Elm Grove Field, Bienville, Bossier, Caddo, DeSoto and Webster Parishes, Louisiana.

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.**

The subject matter to this application does not require a pre-application notice.

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 a copy of 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 and 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.

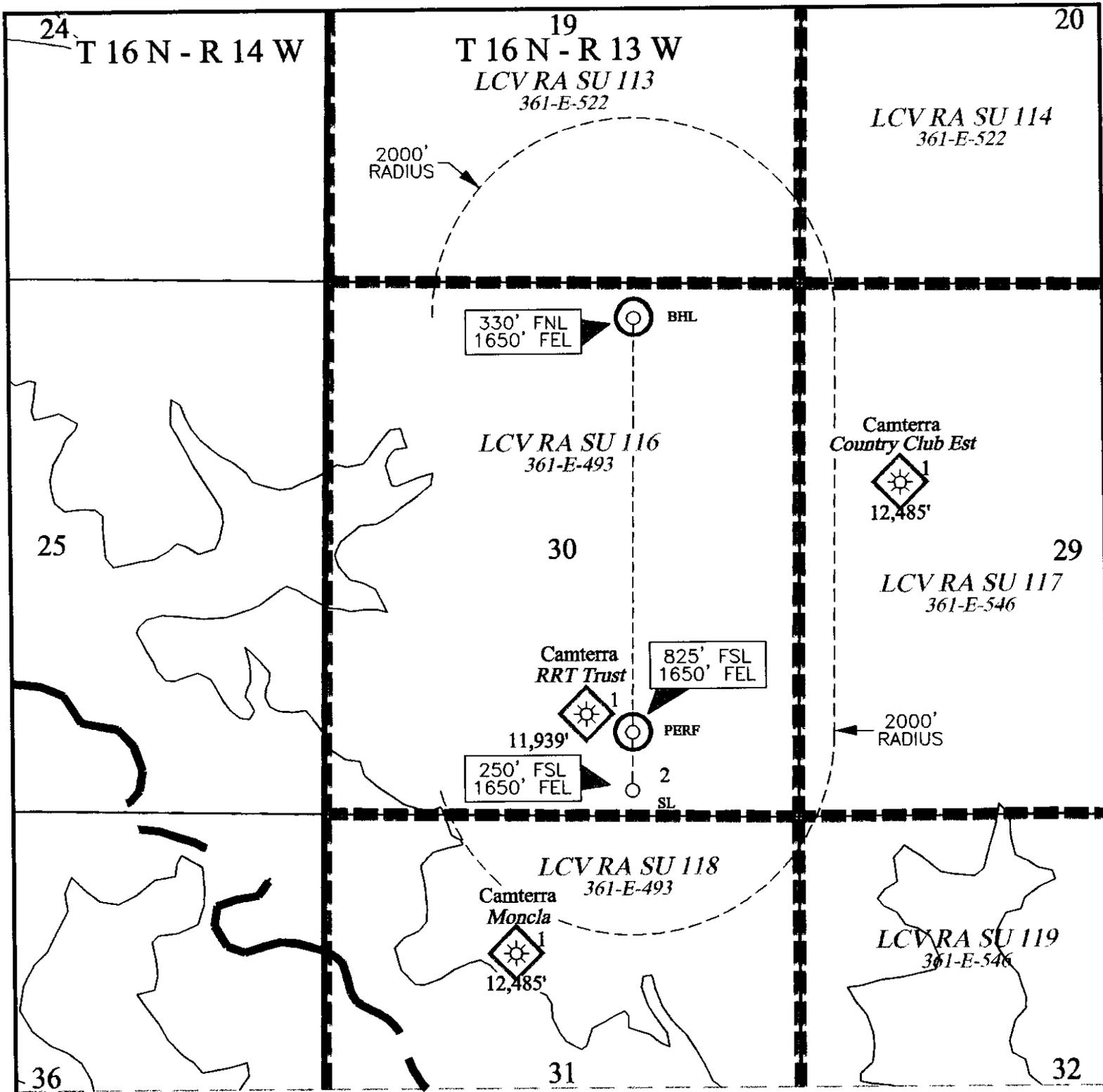
Attached is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
CAMTERRA RESOURCES, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (w/plat)
Camterra Resources, Inc. (w/encl.)
Heritage Energy (w/plat)



CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

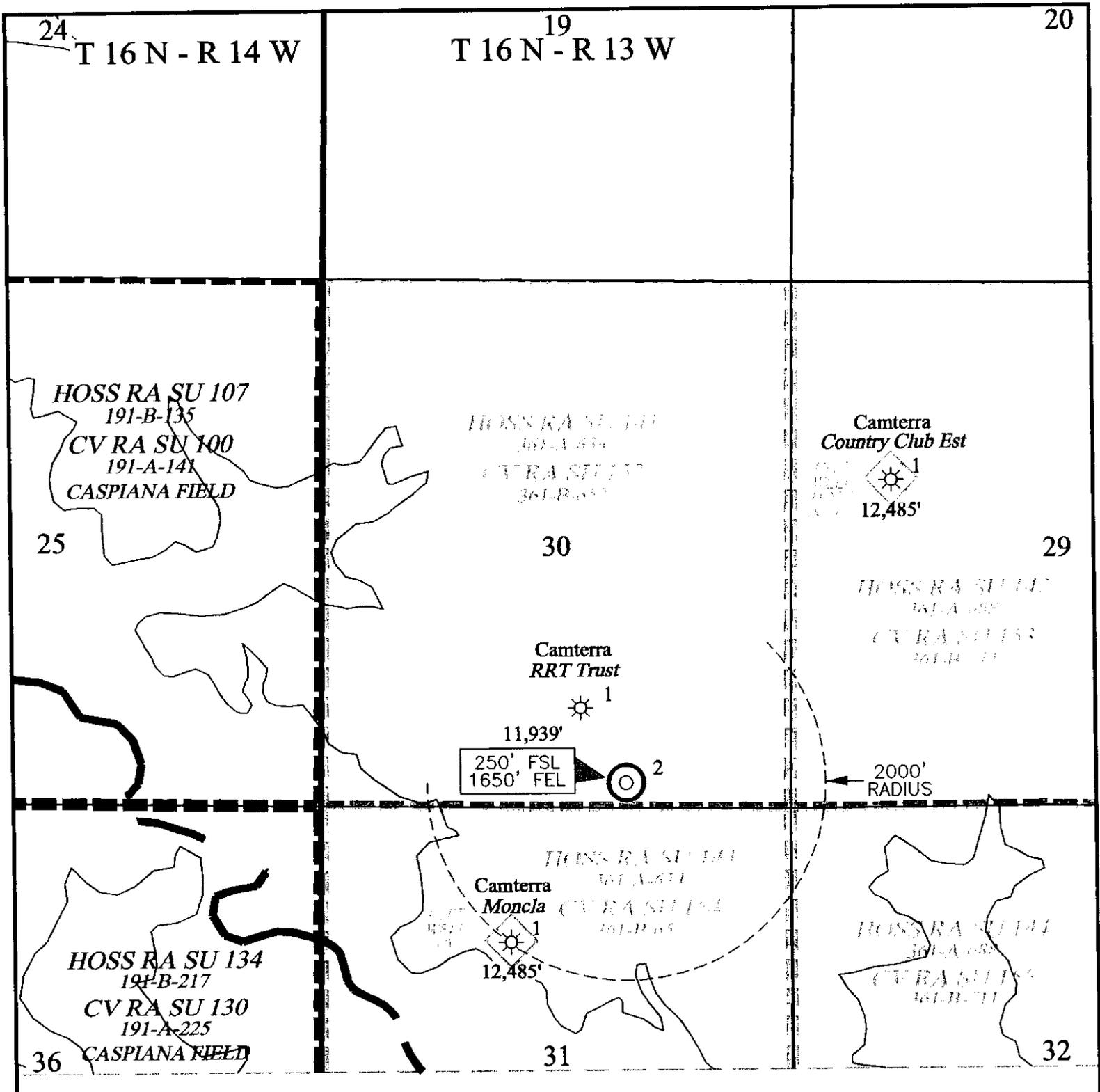
ELM GROVE FIELD
CADDO PARISH, LOUISIANA
PROPOSED HORIZONTAL LATERAL
ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION FOR
LCV RA SU 116

- : EXISTING UNITS
- : EXISTING LCV RESERVOIR A UNIT AND SUBSTITUTE UNIT WELLS
- : EXISTING LCV RESERVOIR A ALTERNATE UNIT WELLS
- : PROPOSED ALTERNATE UNIT WELL



ONLY WELLS >6000' TD SHOWN

BOB ANDERSON



CAMTERRA RESOURCES, INC.
MARSHALL, TEXAS

ELM GROVE FIELD
CADDO PARISH, LOUISIANA
PROPOSED
UNIT WELL AT EXCEPTIONAL LOCATION FOR
HOSS RA SU 141 & CV RA SU 152

--- : EXISTING UNITS

☀ : EXISTING HOSS RA & CV RA
UNIT AND SUBSTITUTE UNIT WELLS
⊙ : EXISTING HOSS RA & CV RA
ALTERNATE UNIT WELLS

⊙ : PROPOSED UNIT WELL



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