



Marjorie A. McKeithen  
*Not admitted in Alabama*  
Direct Dial 504-582-8420  
Direct Fax 504-589-8420  
mmckethen@joneswalker.com

January 7, 2010

The Honorable James H. "Jim" Welsh  
Commissioner of Conservation  
Post Office Box 94275  
Baton Rouge, Louisiana 70804

Re: Gas Storage Reservoir A  
James Sand  
CADEVILLE FIELD  
Ouachita Parish, Louisiana  
Applicant: Cadeville Gas Storage, LLC

Dear Commissioner Welsh:

In compliance with the Rules of Procedure for Conducting Hearings before the Commissioner of Conservation for the State of Louisiana, **Cadeville Gas Storage, LLC** hereby makes this application for a public hearing, after legal notice, in order to consider evidence and to issue findings and an order pertaining to the following matters relative to the James Zone, Gas Storage Reservoir, Cadeville Field, Ouachita Parish, Louisiana:

1. To designate the James Sand, Reservoir A, as a storage reservoir for natural gas and to define the James Sand, Reservoir A, as follows:

The James Sand, Reservoir A, in the Cadeville Field, is hereby defined as being the stratigraphic equivalent of that gas and condensate bearing sand encountered between the depths of 5,500 feet and 5,532 feet (electric log measurements) in the Fireside Oil & Gas, Inc. - C.S. Read Jr. No. 1 Well, located in Section 28, Township 17 North, Range 2 East, Ouachita Parish, Louisiana;

2. To dissolve the following units:

JA RA SUA, established by Order 356-E, effective January 31, 1984;  
JA RA SUD & SUE, established by Order No. 356-E-2, effective February 26, 1985;

JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRE L.L.P.

3. To dissolve the following James Zone, Reservoir A, units and simultaneously re-create revised drilling and production units for the exploration for, and production of, gas and condensate for the James Zone, Reservoir C, as follows:
  - a. Dissolve the following units:

JA RA SUB, established by Order No. 356-E-1, effective January 31, 1985;  
JA RA SUF, established by Order No. 356-E-3, effective January 21, 1986;  
JA RA SUG, established by Order No. 356-E-7, effective July 18, 1989;  
JA RA SUI, established by Order No. 356-E-12, effective December 8, 1982;  
JA RA SUH and SUJ, established by Order No. 356-E-15, effective November 14, 2006;
  - b. Recreate the following units:

JA RC SUB;  
JA RC SUF;  
JA RC SUG;  
JA RC SUH;  
JA RC SUI;  
JA RC SUJ;
4. To re-classify the following units:

Re-classify JA RA SUC, established by Order No. 356-E-1, effective January 31, 1985, and JA RA SUK through JA RA SUP, established by Order No. 356-E-15, effective November 14, 2006, as JA RC SUC and JA RC SUK through JA RC SUP;
5. To define the James Zone, Reservoir C, in the Cadeville Field as being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the depths of 5,360 feet and 5,670 feet (electrical log measurements) in the Diamond Shamrock – Verlee German No. 1 Well, located in Section 25, Township 17 North, Range 1 East, Ouachita Parish, Louisiana.
6. To define the limits of the storage reservoir and such adjacent lands as may be necessary to be included in the storage area for the protection of the storage reservoir and to designate the same as the James Sand Gas Storage Area, CVD JA RA GSA;
7. To determine that the storage reservoir to be used for the injection, storage and withdrawal of natural gas is suitable and feasible for use as an underground storage reservoir for natural gas;

8. To determine that the use of such underground reservoir for the storage of natural gas will not contaminate other formations containing fresh water, oil, gas or other commercial mineral deposits;
9. To determine that the proposed storage will not endanger lives or property;
10. To determine that the volumes of original reservoir gas and condensate content which were capable of being produced in paying quantities have all been produced and that the underground reservoir is fully depleted of the original commercially recoverable natural gas and condensate contents therein; or, in the alternative, to determine the amount of remaining commercially recoverable natural gas and condensate content and that the reservoir has a greater value or utility as an underground reservoir for gas storage than for the production of any remaining volumes of original reservoir natural gas and condensate content;
11. To designate Cadeville Gas Storage, LLC as the operator of the James Sand Gas Storage Area, CVD JA RA GSA, and as the party exclusively authorized (along with its successors and assigns) to use the James Sand Gas Storage Area, CVD JA RA GSA, for the injection, storage and withdrawal of natural gas;
12. To provide that all natural gas which has previously been reduced to possession and which is subsequently injected into the underground storage reservoir shall at all times be deemed the property of the injector, his successors, assigns and/or customers; and in no event shall such gas be subject to the right of the owner of the surface of the lands or of any mineral interest therein under which such underground storage reservoir shall lie or be adjacent to or of any person other than the injector, his successors, assigns and/or customers to produce, take, reduce to possession, waste, or otherwise interfere with or exercise any control thereover, provided that the injector, his successors, assigns and customers shall have no right to gas in any stratum or portion thereof not determined by the commissioner to constitute an approved underground storage reservoir;
13. To establish rules and regulations for the protection of the underground storage reservoir against pollution and against the escape of natural gas therefrom, including such necessary rules and regulations pertaining to the drilling and operation into or through such underground storage reservoir or any formation located 100' above or 170' below the gas storage reservoir (including restricting completions in any formation located 100' above or 170' below the gas storage reservoir);
14. To further establish rules and regulations that require wells to be located no closer than 330 feet outside of the storage reservoir;
15. To establish rules and regulations governing the development and operation of the storage reservoir as well as all other matters that may be necessary pursuant to the

provisions of Sections 6 and 22, Title 30 of the Louisiana Revised Statutes of 1950, as amended; and

16. To continue in full force and effect the provisions of the 356-E Series of Office of Conservation Orders except as may be amended hereby.

At the hearing, the applicant will present evidence that the applicant has consummated agreements in the form of gas storage agreements and options and that at least three-fourths of the owners in interest have consented to such gas storage use in writing.

A Pre-Application Conference to discuss the proposed application was held on Wednesday, December 16, 2009, at the West Monroe City Council Chambers in West Monroe, Louisiana. Attached hereto, and made a part hereof, is a list of the names and addresses of the parties who attended the Pre-Application Conference. The Conference was opened by Mrs. Marjorie McKeithen. Mr. Jeffrey Ballew of Cardinal Gas Storage Partners, Mr. Kenneth Beckman of International Gas Storage Consulting, Mr. Louis Gilbert of Louis Gilbert and Associates and Mr. Michael Veazey of Veazey and Associates, then explained the plan of the applicant. Questions were asked and answered. Although it is not definitively known at this time, the applicant anticipates that there may be opposition at the public hearing on the matter.

Attached hereto and made a part hereof are the following: a plat showing the units to be dissolved; a plat outlining the proposed storage area and also depicting the units to be recreated and the units to be re-classified; and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed units or gas storage area can be obtained, at the cost of the requesting party, from Louis Gilbert, Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, LA 70002 (504) 834-8112.

Sincerely,



Marjorie A. McKeithen

MAM/jm  
Attachments

The Honorable James H. "Jim" Welsh  
January 7, 2010  
Page 5

cc: Mr. Joseph F. DeVall, District Manager  
Office of Conservation

All Interested Owners, Represented Parties and  
Interested Parties

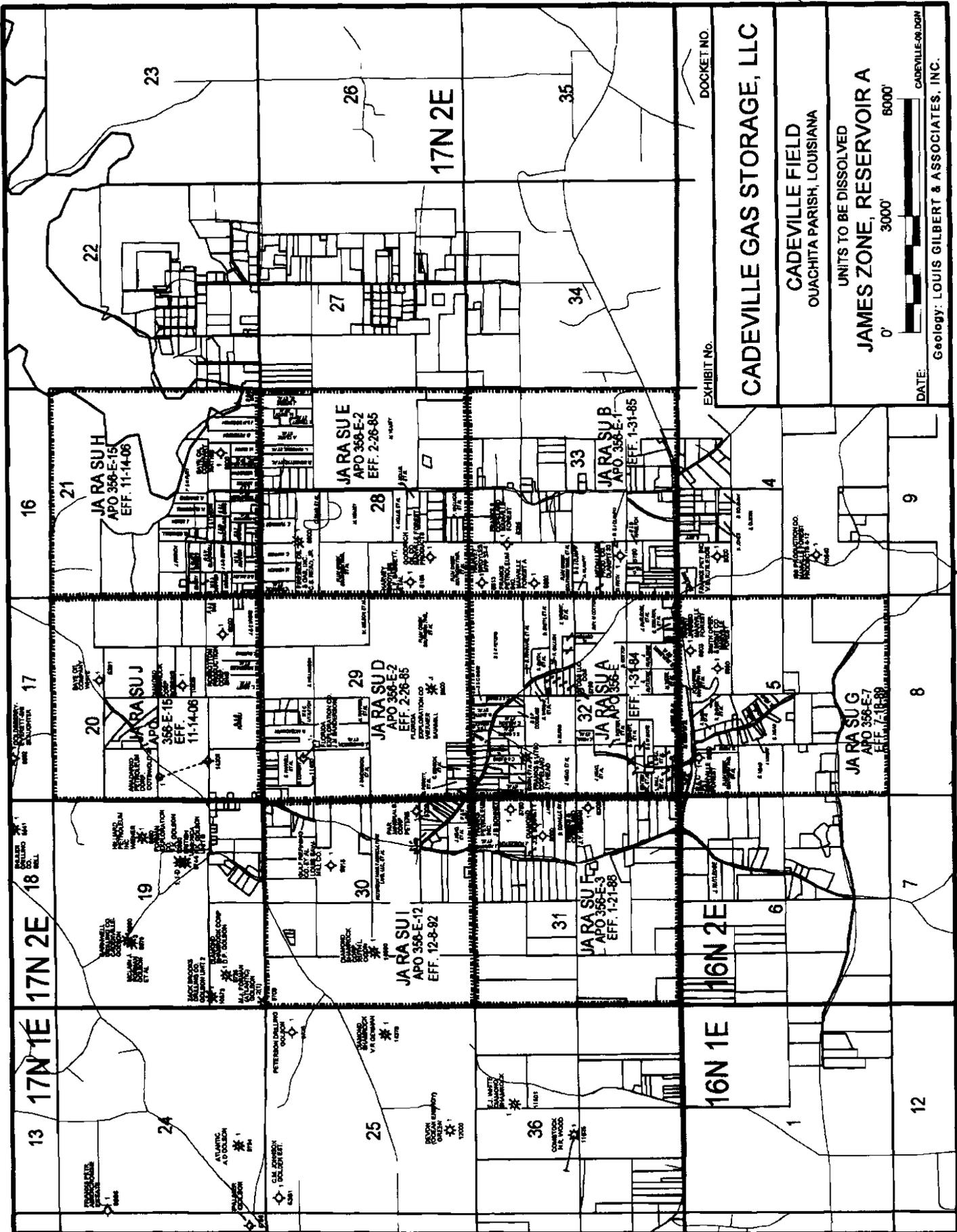


EXHIBIT NO. \_\_\_\_\_ DOCKET NO. \_\_\_\_\_

**CADEVILLE GAS STORAGE, LLC**

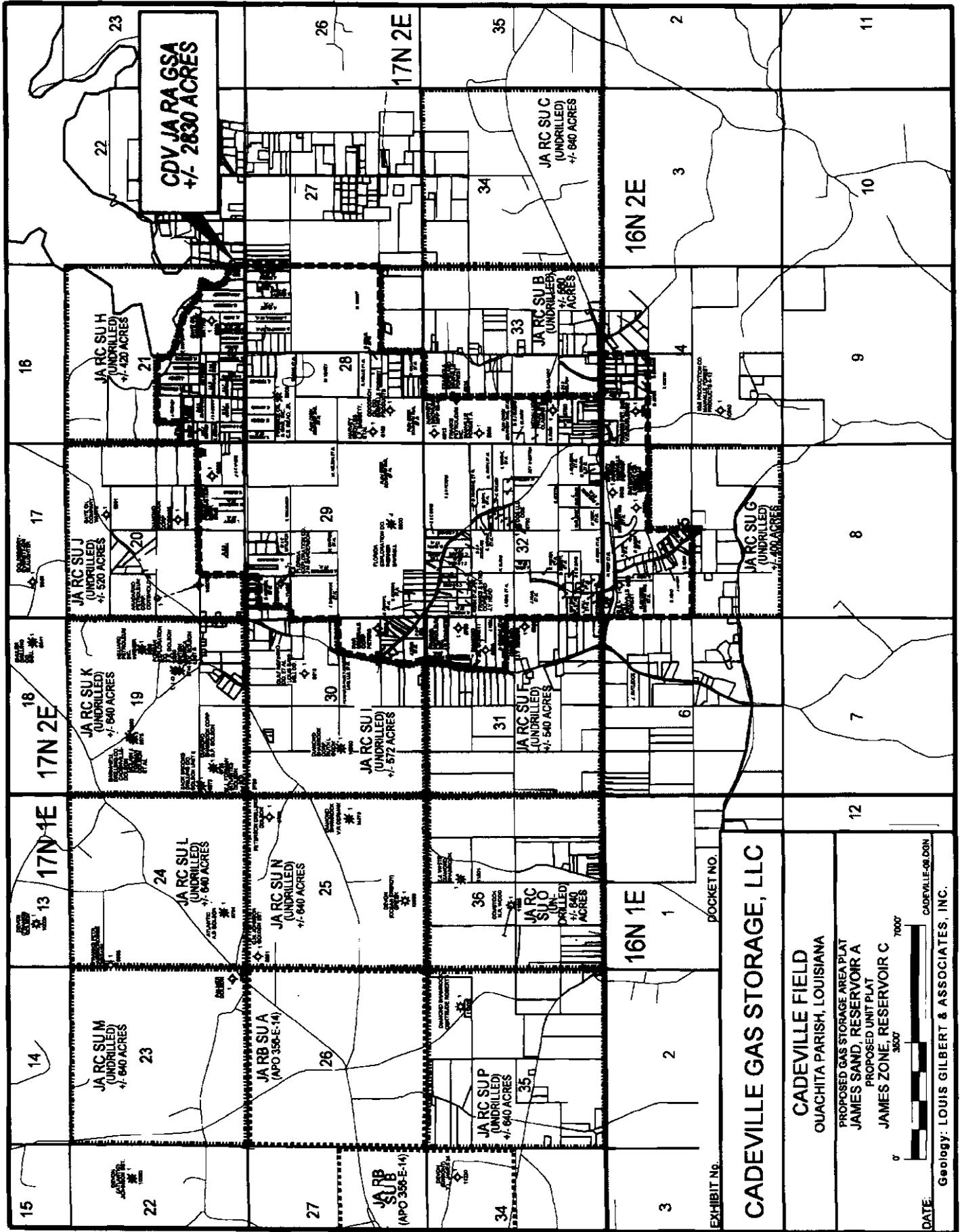
CADEVILLE FIELD  
OUACHITA PARISH, LOUISIANA

UNITS TO BE DISSOLVED  
**JAMES ZONE, RESERVOIR A**

DATE: \_\_\_\_\_

0' 3000' 6000'

Geology: LOUIS GILBERT & ASSOCIATES, INC. CADEVILLE-09.DGN



**CADEVILLE GAS STORAGE, LLC**

**CADEVILLE FIELD**  
 OUACHITA PARISH, LOUISIANA

PROPOSED GAS STORAGE AREA PLAT  
 JAMES SAND, RESERVOIR A  
 PROPOSED UNIT PLAT  
 JAMES ZONE, RESERVOIR C



DATE: \_\_\_\_\_ Geology: LOUIS GILBERT & ASSOCIATES, INC.