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November 23, 2009

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 (Travis Peak) Zone; Cotton Valley Zone, Reservoir A; and Haynesville Zone, Reservoir A; SLIGO FIELD, Bossier and Webster Parishes, 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 Hosston (Travis Peak) Zone; Cotton Valley Zone, Reservoir A; and to the Haynesville Zone, Reservoir A; in the Sligo Field, Bossier and Webster Parishes, Louisiana:

1. To establish rules and regulations and to create four (4) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, such units being shown on an attached plat and being designated CV RA SUA through CV RA SUD.

2. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston (Travis Peak) Zone, such units being shown on an attached plat and being designated HOSS TP SU67 through HOSS TP SU70.

3. To create four (4) 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 an attached plat and being designated HA RA SURR, HA RA SUTT, HA RA SUVV and HA RA SUXX.

4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.

5. To propose that future wells drilled to the Cotton Valley Zone, Reservoir A, in the Sligo Field be located no closer than 330 feet to any unit boundary and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit has been granted to drill to the Cotton Valley Zone, Reservoir A.

6. To designate a unit well for, and a unit operator of, each of the proposed units as may be appropriate.

7. To provide that with respect to any horizontal well drilled to the Haynesville Zone, Reservoir A, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, 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, Reservoir A.

8. To permit the operator of the units proposed herein to combine downhole production from the Hosston (Travis Peak) Zone; the Cotton Valley Zone, Reservoir A; and the Haynesville Zone, Reservoir A; or from any combination thereof, in the wellbore of any well on these units in which the ownership interests in the units from which production is to be combined downhole are identical.

9. To define the Cotton Valley Zone, Reservoir A, as that gas and condensate bearing zone encountered between the measured depths of 7,506 feet and 9,120 feet in the Chesapeake Operating, Inc.--R O Roy 18 No. 1 Well, located in Section 18, Township 17 North, Range 11 West, Bossier Parish, Louisiana.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-B, effective September 1, 1956, as amended and supplemented by the Order No. 8-B series of Orders, to the proposed additional units for the Hosston (Travis Peak) Zone.

11. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-N, effective September 30, 2008, as amended and supplemented by the Order No. 8-N series of Orders, to the proposed additional units for the Haynesville Zone, Reservoir A.

12. To discuss such other matters as may be pertinent to any of these proposals.

The Hosston (Travis Peak) Zone in the Sligo Field is defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

The Haynesville Zone, Reservoir A, in the Sligo Field is defined in Office of Conservation Order No. 8-N, effective September 30, 2008.

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 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 <u>at the expense of the requesting party</u>.

By letter dated November 3, 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 thereafter held beginning at 1:30 o'clock p.m. on November 23, 2009, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following this presentation there was a general question and answer period concerning the proposals of Applicant. Thereafter the conference was adjourned with no opposition having been expressed to the proposals of Applicant.

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 each of the unit plats is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to 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 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 Sligo 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

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

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

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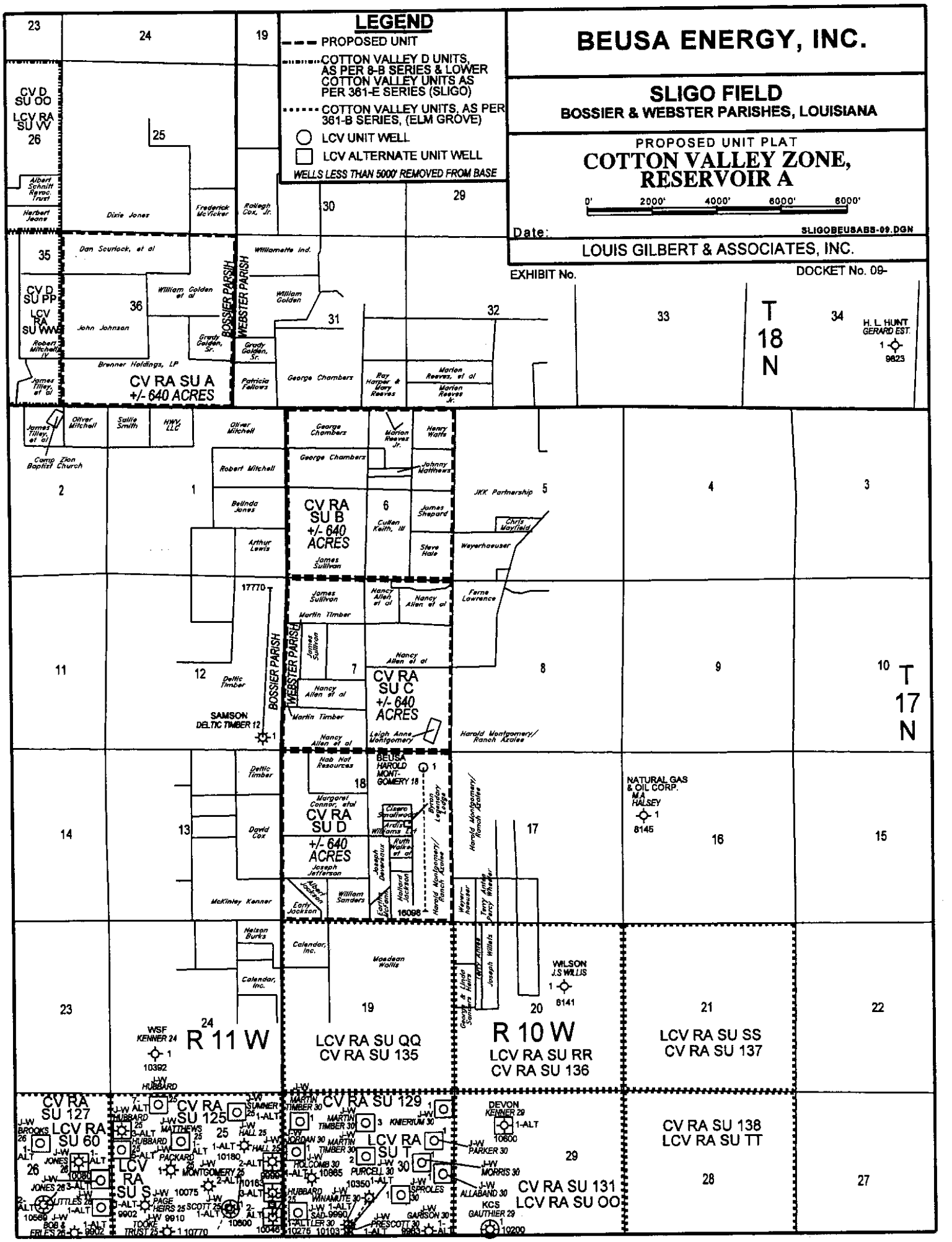

LEGEND
PROPOSED UNIT
COTTON VALLEY D UNITS, AS PER 8-B SERIES & LOWER COTTON VALLEY UNITS AS PER 361-E SERIES (SLIGO)
COTTON VALLEY UNITS, AS PER 361-B SERIES, (ELM GROVE)
LCV UNIT WELL
LCV ALTERNATE UNIT WELL
WELLS LESS THAN 5000' REMOVED FROM BASE
BEUSA ENERGY, INC.
SLIGO FIELD
BOSSIER & WEBSTER PARISHES, LOUISIANA
PROPOSED UNIT PLAT
COTTON VALLEY ZONE, RESERVOIR A
0' 2000' 4000' 6000' 8000'
Date:
SLIGOBEUSABS-09.DGN
LOUIS GILBERT & ASSOCIATES, INC.
EXHIBIT No.
DOCKET No. 09-
T 18 N
T 17 N
R 11 W
R 10 W
BOSSIER PARISH
WEBSTER PARISH
CV D SU OO
LCV RA SU VV
CV D SU PP
LCV RA SU WW
CV RA SU A +/- 640 ACRES
CV RA SU B +/- 640 ACRES
CV RA SU C +/- 640 ACRES
CV RA SU D +/- 640 ACRES
LCV RA SU QQ
CV RA SU 135
LCV RA SU RR
CV RA SU 136
LCV RA SU SS
CV RA SU 137
CV RA SU 138
LCV RA SU TT
CV RA SU 131
LCV RA SU OO
CV RA SU 127
LCV RA SU 60
CV RA SU 125
LCV RA SU S
CV RA SU 129
LCV RA SU T
SAMSON DELTIC TIMBER 12
BEUSA HAROLD MONTGOMERY 18
NATURAL GAS & OIL CORP. M.A. HALSEY
WILSON J.S WILLIS
WSF KENNER 24
DEVON KENNER 29
KCS GAUTHIER 29
H. L. HUNT GERARD EST.

BEUSA ENERGY, INC.

SLIGO FIELD
BOSSIER & WEBSTER PARISHES, LOUISIANA

PROPOSED UNIT PLAT

HOSSTON TRAVIS PEAK

0' 2000' 4000' 6000' 8000'

Date: SLIGOBEUSABS-09.DGN

LOUIS GILBERT & ASSOCIATES, INC.

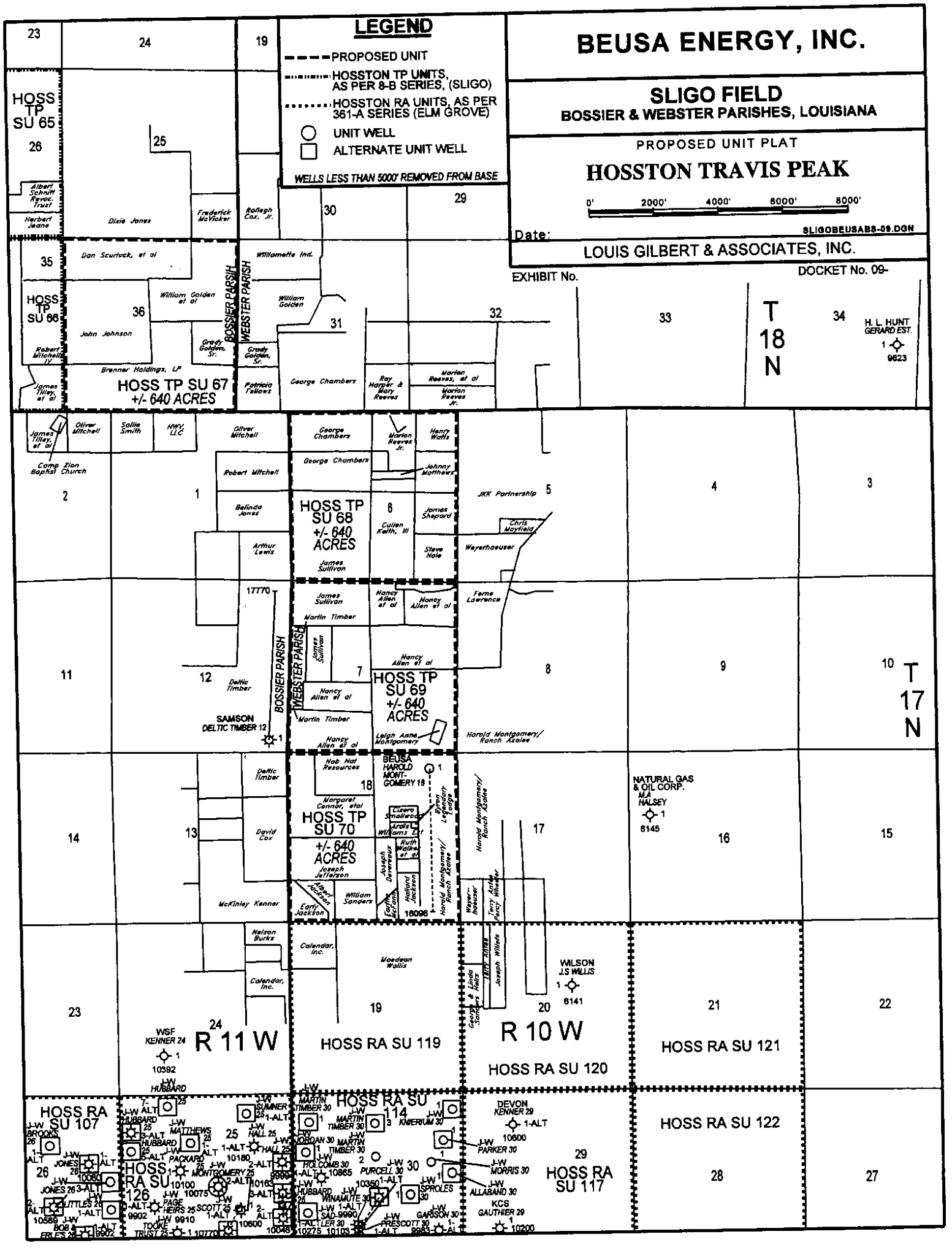
EXHIBIT No.

DOCKET No. 09-

LEGEND

- PROPOSED UNIT
- HOSSTON TP UNITS, AS PER 8-B SERIES, (SLIGO)
- HOSSTON RA UNITS, AS PER 361-A SERIES (ELM GROVE)
- UNIT WELL
- ALTERNATE UNIT WELL

WELLS LESS THAN 5000' REMOVED FROM BASE



BEUSA ENERGY, INC.

SLIGO FIELD
BOSSIER & WEBSTER PARISHES, LOUISIANA

PROPOSED UNIT PLAT
HAYNESVILLE ZONE, RESERVOIR A

0' 2000' 4000' 6000' 8000'

Date: SLIGOBEUSABS-09.DGN

LOUIS GILBERT & ASSOCIATES, INC.

EXHIBIT No.

DOCKET No. 09-

LEGEND

- PROPOSED UNIT
- HAYNESVILLE UNITS, AS PER 361-L SERIES, (ELM GROVE)
- HAYNESVILLE RA UNITS, AS PER 8-N SERIES, (SLIGO)
- UNIT WELL

WELLS LESS THAN 5000' REMOVED FROM BASE

T 18 N

T 17 N

R 11 W

R 10 W

BOSSIER PARISH

WEBSTER PARISH

HA RA SU GG 26

HA RA SU HH 35

HA RA SU RR +/- 640 ACRES

HA RA SU PP 34

HA RA SU OO 33

HA RA SU H 2

HA RA SU G 1

HA RA SU TT +/- 640 ACRES 6

HA RA SU MM 5

HA RA SU J 11

HA RA SU K 12

HA RA SU VV +/- 640 ACRES 7

HA RA SU M 14

HA RA SU L 13

HA RA SU XX +/- 640 ACRES 18

HA RA SU O 23

HA RA SU NN 24

HA RA SU 58 19

HA RA SU 85 29

HA RA SU 88 28

SAMSON DELTIC TIMBER 12

BEUSA HAROLD MONTGOMERY 18

NATURAL GAS & OIL CORP. MLA HALSEY 1 8145

WILSON J.S WILLIS 1 6141

WSF KENNER 24 1 10392

DEVON KENNER 29 1-ALT 10600

H. L. HUNT GERARD EST. 1 9623