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February 12, 2010

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 (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 create six (6) 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 SU71 through HOSS TP SU76.
2. To create six (6) additional 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 SUE through CV RA SUJ.
3. To create six (6) 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 SUQQ, HA RA SUSS, HA RA SUUU, HA RA SUWW, HA RA SUYY and HA RA SUZZ.
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 designate a unit well for, and a unit operator of, each of the proposed units as may be appropriate.

6. 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.

7. 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.

8. 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.

9. To extend, except as in conflict herewith, to the proposed additional units for the Cotton Valley Zone, Reservoir A, the field rules for this zone that were proposed in Docket No. 10-25, the public hearing on which was held on January 12, 2010.

10. 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.

11. 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 Cotton Valley Zone, Reservoir A, will be defined in the Office of Conservation Order issued in Docket No. 10-25, the public hearing on which was held on January 12, 2010.

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.

Honorable James H. Welsh
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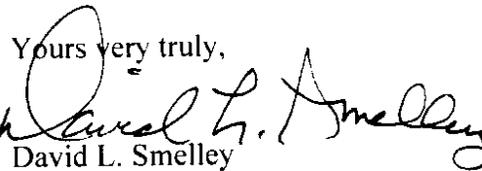
A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated February 1, 2010, 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 February 25, 2010, 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 each of the unit plats (which are identical to the unit plats attached to the pre-application notice) 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 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 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
-- Attorney for Beusa Energy, Inc.

DLS:dp

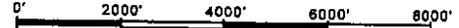
Enclosures

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)

BEUSA ENERGY, INC.

SLIGO FIELD
BOSSIER & WEBSTER PARISHES, LOUISIANA

PROPOSED UNIT PLAT HOSSTON (TRAVIS PEAK) ZONE



Date: _____ SLIGOBEUSABS-16.DGN

LOUIS GILBERT & ASSOCIATES, INC.

EXHIBIT No. _____ DOCKET No. 10-

LEGEND

- PROPOSED UNIT
- HOSSTON TP UNITS, AS PER 8-B SERIES, (SLIGO)
- HOSSTON RA UNITS, AS PER 361-A SERIES (ELM GROVE)
- PENDING UNIT (SLIGO)
- UNIT WELL
- ALTERNATE UNIT WELL
- WELLS LESS THAN 6000' REMOVED FROM BASE

