

# BLANCHARD WALKER

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BLANCHARD, WALKER, O'QUIN & ROBERTS  
A PROFESSIONAL LAW CORPORATION

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March 25, 2010

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 94275  
Baton Rouge, LA 70804-9275

Mailing Address:  
P.O. Drawer 1126  
Shreveport, LA 71163-1126

**WM. TIMOTHY ALLEN, III**  
Direct: 318.934.0217  
Email: tallen@bwor.com

RE: HEARING APPLICATION  
LCV RB SUA and LCV RB SUB  
Lower Cotton Valley Formation, Reservoir B  
HA RA SUA and HA RA SUB  
Haynesville Formation, Reservoir A  
SMK RB SUA and SMK RB SUB  
Smackover Formation, Reservoir B  
Hico-Knowles Field  
Lincoln Parish, Louisiana  
Our File No. 410688.42

Dear Sir:

On behalf of STROUD PETROLEUM, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir B, Haynesville Formation, Reservoir A and Smackover Formation, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana.

1. To establish rules and regulations and to create two (2) drilling and production units (to be designated LCV RB SUA and LCV RB SUB) for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana, as shown on the plat attached hereto.
2. To establish rules and regulations and to create two (2) drilling and production units (to be designated HA RA SUA and HA RA SUB) for the exploration for and production of gas and condensate from the Haynesville Formation, Reservoir A, in the Hico-Knowles Field, Lincoln Parish, Louisiana, as shown on the plat attached hereto.
3. To establish rules and regulations and to create two (2) drilling and production units (to be designated SMK RB SUA and SMK RB SUB) for the exploration for and production of gas and condensate from the Smackover Formation, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana, as shown on the plat attached hereto.
4. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed units, with allocation of production to the tracts within such units to be on the basis of surface acreage.

5. To provide that future wells drilled to the Lower Cotton Valley Formation, Reservoir B, Haynesville Formation, Reservoir A and Smackover Formation, Reservoir B should be located in accordance with Statewide Order No. 29-E.
6. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Formation, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana is hereby defined as that gas and condensate bearing interval between the depths with a top of 8,752 feet in the Southwest Gas Producing Company - J. A. Britt No. 1 Well located in Section 23, Township 20 North, Range 4 West, Lincoln Parish, Louisiana, and a base of 11,320 feet (electric log measurements) in the California Co. - F. H. Calloway No. 1 Well, located in Section 11, Township 19 North, Range 4 West, Lincoln Parish, Louisiana.

The Haynesville Formation, Reservoir A, in the Hico-Knowles Field, Lincoln Parish, Louisiana is hereby defined as that gas and condensate bearing interval between the depths of 10,308 feet and 11,042 feet (electric log measurements) in the Chevron Oil Company (California Co.) - Eliza Lewis Dunn, et al No. 1 Well, located in Section 31, Township 20 North, Range 3 West, Lincoln Parish, Louisiana.

The Smackover Formation, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana is hereby defined as that gas and condensate bearing interval between the depths of 11,042 feet and 12,128 feet (electric log measurements) in the Chevron Oil Company (California Co.) - Eliza Lewis Dunn, et al No. 1 Well, located in Section 31, Township 20 North, Range 3 West, Lincoln Parish, Louisiana.

Pertinent data regarding this application will be available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Suite 1400, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Wm. Timothy Allen III at (318) 221-6858, during normal business hours, or write Mr. Allen at the above address in order to arrange a time and date for such inspection. Copies of such pertinent data can be obtained AT THE EXPENSE OF THE REQUESTING PARTY.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Revised Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it.

By Pre-Application Notice dated March 10, 2010, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no timely request for a Pre-Application Conference, and accordingly, no conference will be held.

Commissioner of Conservation  
March 25, 2010  
Page 3

A check in the amount of \$2,265.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

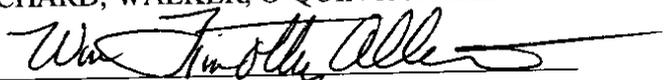
This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

*You may have received this Hearing Application even though your property is not included in the proposed units, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.*

*Your receipt of this Hearing application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.*

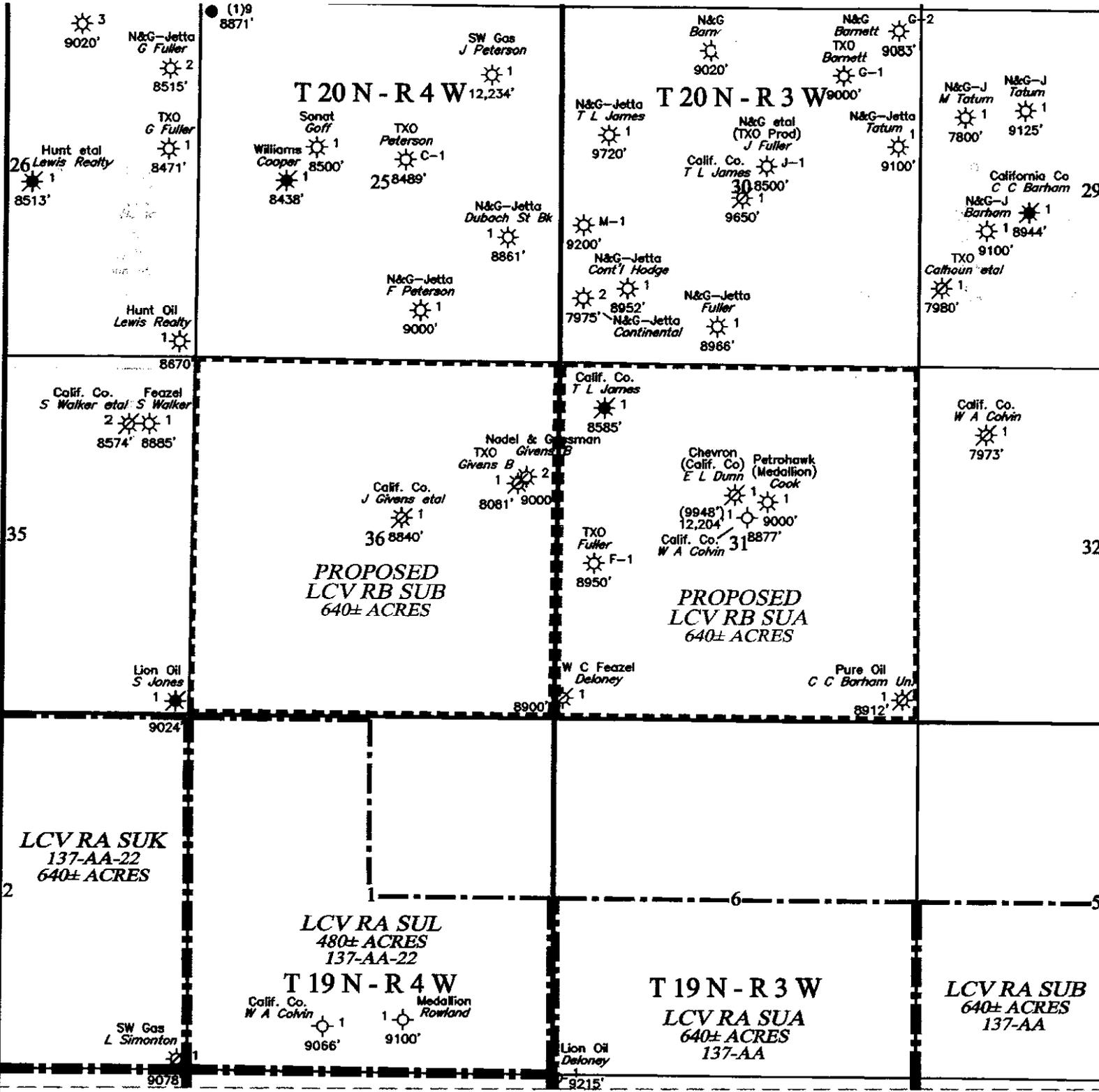
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By:   
Wm. Timothy Allen III  
Attorneys for Stroud Petroleum, Inc.

WTAIII/twd  
Enclosures

- cc: Mr. James C. Broussard, District Manager  
Office of Conservation, Shreveport, La. (w/enclosures)
- cc: Interested Owners, Represented Parties  
and Interested Parties (w/copy of plats only)



**LEGEND**

- : PROPOSED LCV RB UNITS  
HICO-KNOWLES FIELD
- : EXISTING LCV RA UNITS  
HICO-KNOWLES FIELD

**STROUD PETROLEUM, INC.**  
SHREVEPORT, LOUISIANA

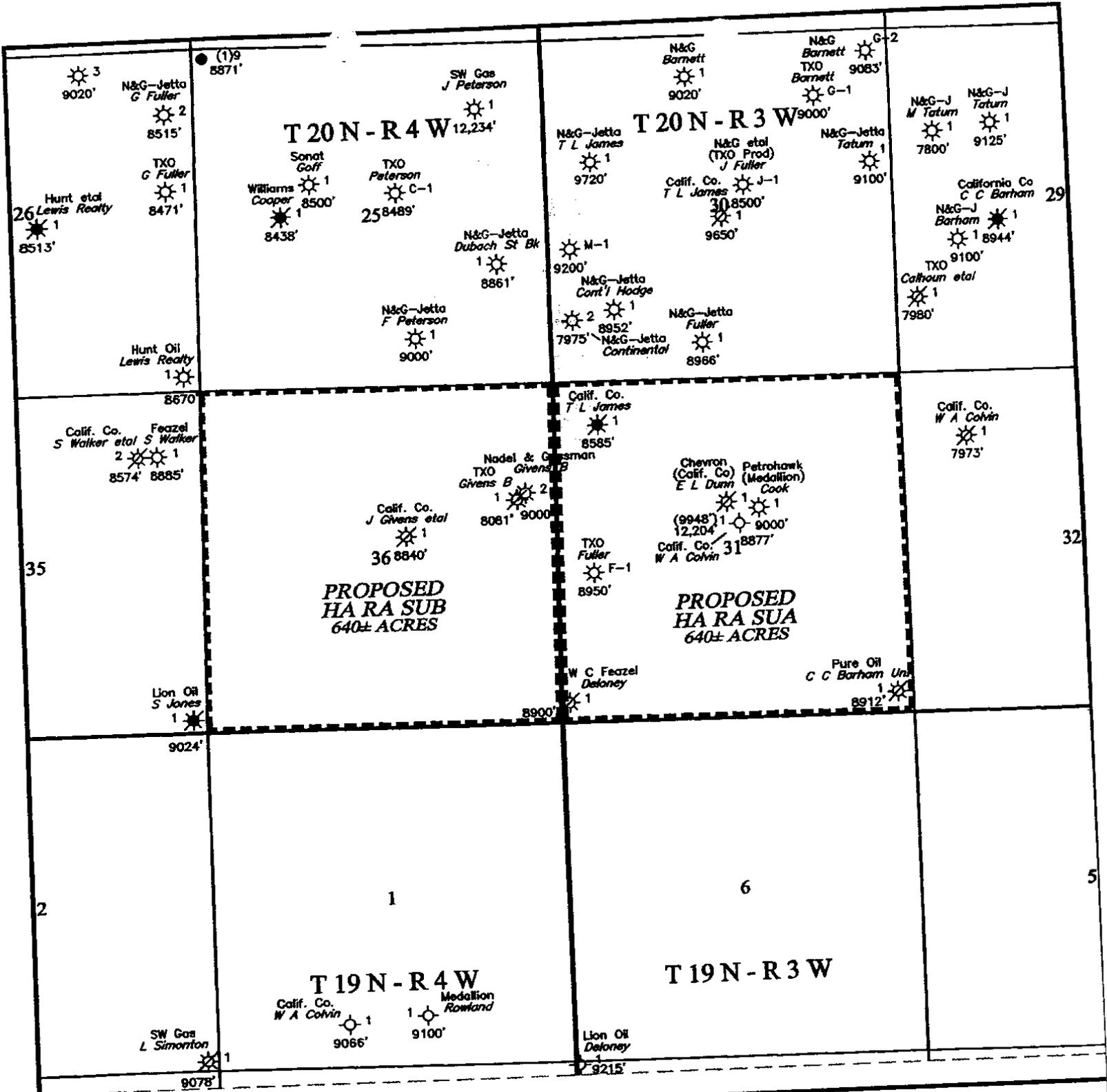
**HICO-KNOWLES FIELD**  
LINCOLN PARISH, LOUISIANA

**PROPOSED  
LOWER COTTON VALLEY FORMATION  
RESERVOIR B UNITS  
LCV RB SUA AND LCV RB SUB**

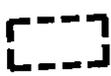
ONLY WELLS WITH TD's >6000' SHOWN



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**LEGEND**

 : PROPOSED HA RA UNITS  
HICO-KNOWLES FIELD

**STROUD PETROLEUM, INC.**  
SHREVEPORT, LOUISIANA

**HICO-KNOWLES FIELD**  
LINCOLN PARISH, LOUISIANA  
**PROPOSED**  
**HAYNESVILLE FORMATION**  
**RESERVOIR A UNITS**  
**HA RA SUA AND HA RA SUB**



ONLY WELLS WITH TD's >6000' SHOWN

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