

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY
JULIANNA PETCHAK PARKS
B. LEE CARR, JR.
MARIE E. CURRY
JOHN R. HARRIS

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

May 14, 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.

Cotton Valley Formation, Reservoir A, and
Haynesville Zone, Reservoir A, GRAND CANE
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("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 Cotton Valley Formation, Reservoir A, and to the Haynesville Zone, Reservoir A, in the Grand Cane Field, DeSoto Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SUE.
2. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such unit being shown on an attached plat and being designated HA RA SUS.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of these proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator of, and a unit well for, each of the proposed units as may be appropriate.
5. To provide that with respect to any horizontal well drilled to the Haynesville Zone within the proposed unit HA RA SUS, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, 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.

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6. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 342-H, effective June 22, 2004, as amended and supplemented by the Order No. 342-H series of Orders, and of all applicable Statewide Orders, to the proposed additional unit for the Cotton Valley Formation, Reservoir A.

7. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 342-K, effective March 3, 2009, as amended and supplemented by the Order No. 342-K series of Orders, and of all applicable Statewide Orders, to the proposed additional unit for the Haynesville Zone, Reservoir A.

The Cotton Valley Formation, Reservoir A, in the Grand Cane Field, was defined in Office of Conservation Order No. 342-H, effective June 22, 2004.

The Haynesville Zone, Reservoir A, in the Grand Cane Field, was defined in Order No. 342-K, effective March 3, 2009.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

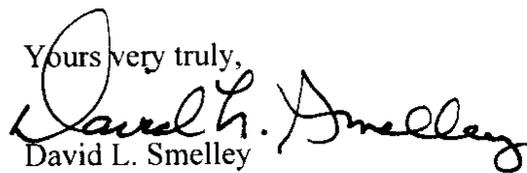
By letter dated May 3, 2010, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set May 27, 2010, as the tentative date for the pre-application conference. No conference request was received within the 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 Grand Cane 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.

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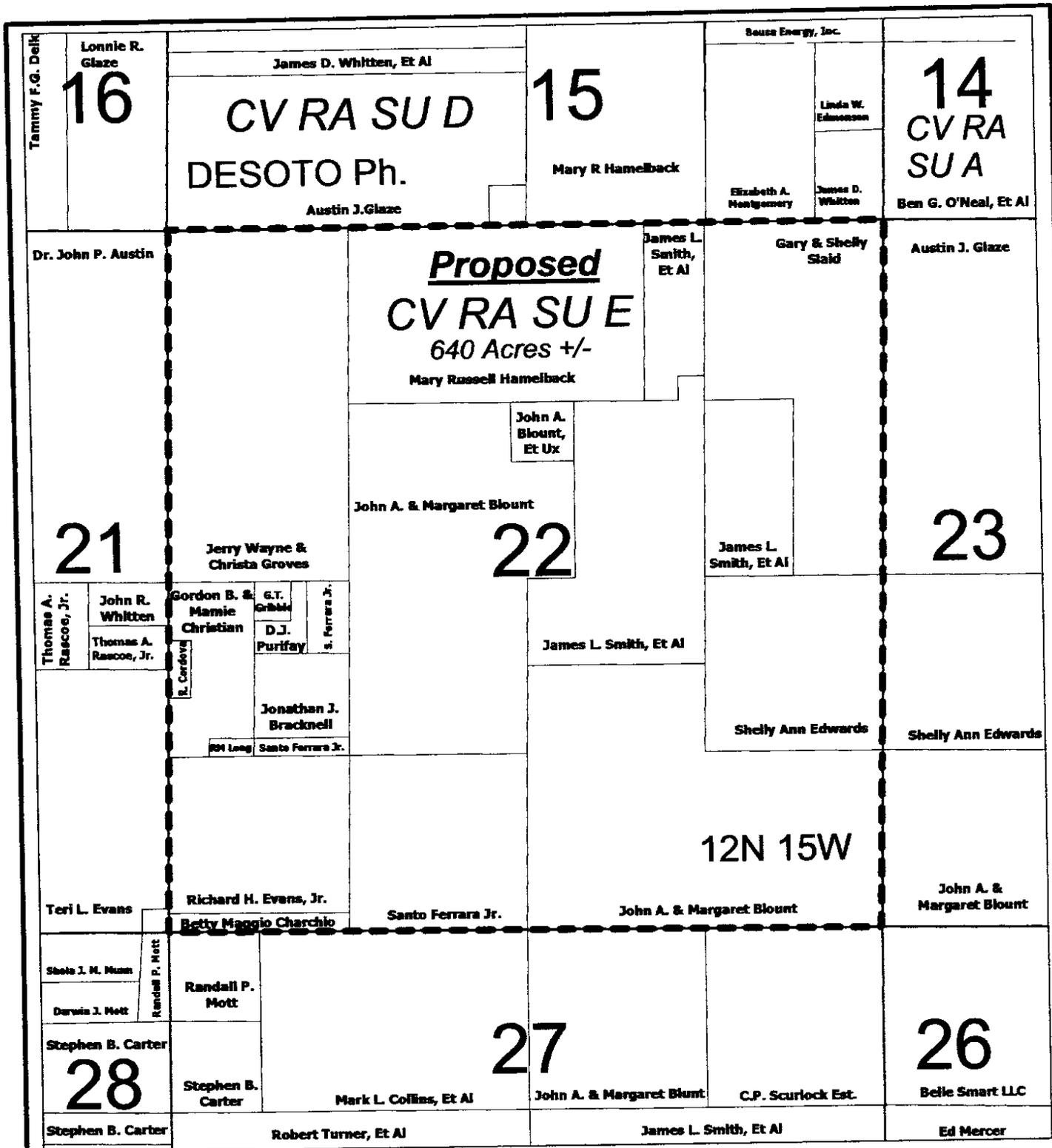
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

--- Attorney for J-W Operating Company

DLS:dp
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Michael Baca (w/encls.)
Ms. Patty DuBois (w/encls.)
Ms. Tanya Allen (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



LEGEND

———— Existing Units 342-H Series

- - - - - Proposed Cotton Valley Unit

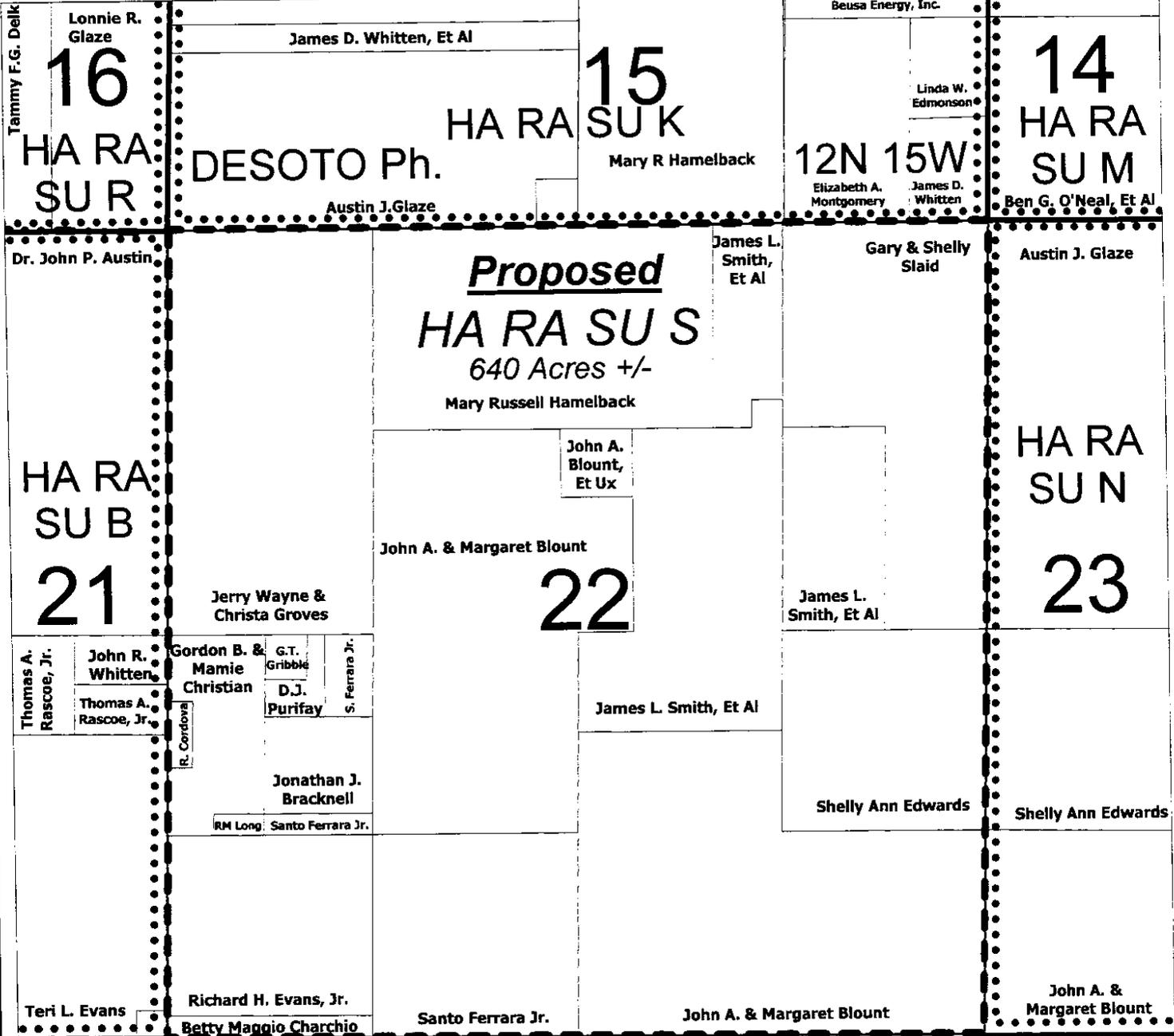
○ ○ ○ Posted Wells > 10,000'



1" = 1000'



		J-W OPERATING COMPANY P.O. BOX 23696 DALLAS, TEXAS 75223-6996 PHONE: (972) 314-8191 FAX: (972) 991-0700
GRAND CANE FIELD DESOTO Ph., La. PROPOSED UNIT PLAT COTTON VALLEY RESERVOIR "A"		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1"=1000'	16-77



Proposed
HA RA SU S
 640 Acres +/-
 Mary Russell Hamelback

HA RA SU P
 CHESAPEAKE
 COLLINS 27 # 1H
 15894
27
 Mark L. Collins, Et Al

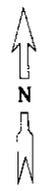
28
 Stephen B. Carter

HA RA SU O
26
 Belle Smart LLC
 Ed Mercer

Note: No well will be perforated less than 330' from any boundary

LEGEND

- Proposed Haynesville Unit
- Existing Haynesville Unit
- Posted Wells > 10,000'



JW

J.W. OPERATING COMPANY
 P.O. BOX 226486
 DALLAS, TEXAS 75222-4486
 OFFICE: (972) 252-4191
 FAX: (972) 991-0704

GRAND CANE FIELD
 DESOTO Ph., La.
PROPOSED HAYNESVILLE UNIT

DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1"=1000'	10-??

