

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, JUNE 29, 2010**, upon the application of **DIAMOND OIL, LLC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Zone, Reservoir A and Cotton Valley Formation, Reservoir A**, in the Bellevue Field, Bossier and Webster Parishes, Louisiana.

1. To create ten (10) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A.
2. To establish rules and regulations and to create thirteen (13) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
3. 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.
4. To designate a unit operator and unit wells for said units, if appropriate.
5. To provide that with respect to horizontal wells drilled within or to serve the proposed Haynesville units, 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 and between wells will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.
6. To provide that any future wells drilled or recompleted to the Cotton Valley Formation, Reservoir A, within or to serve the units created herein, should be located no closer than 330 feet to any unit line and no closer than 660 feet to any well completed in, drilling to or for which a permit has been granted to drill to the Cotton Valley Formation, Reservoir A.
7. To authorize the down hole combination of production from the Haynesville Zone, Reservoir A and Cotton Valley Formation, Reservoir A, at the operator's discretion, in the well bore of any well drilled on the following existing or proposed units, respectively, as to which the acreage and ownership are identical: CV RA SUA, Sec. 13, T19N, R11W, HA RA SUN; CV RA SUB, Sec. 12, T19N, R11W, HA RA SUM; CV RA SUC, Sec. 11, T19N, R11W, HA RA SUB (existing); CV RA SUD, Sec. 2, T19N, R11W, HA RA SUC (existing), CV RA SUE, Sec. 1, T19N, R11W, HA RA SUO, CV RA SUF, Sec. 36, T20N, R11W, HA RA SUL; CV RA SUG, Sec. 35, T20N, R11W, HA RA SUD (existing); CV RA SUH, Sec. 34, T20N, R11W, HA RA SUP; CV RA SUI, Sec. 25, T20N, R11W, HA RA SUE; CV RA SUJ, Sec. 31, T20N, R10W, HA RA SUH; CV RA SUK, Sec. 6, T19N, R10W, HA RA SUJ; CV RA SUL, Sec. 5, T19N, R10W, HA RA SUI; and CV RA SUM, Sec. 7, T19N, R10W, HA RA SUK.
8. To explicitly find that said down hole combination of production is in the interest of conservation, will prevent waste and will maximize the efficient and economic recovery of gas and condensate from such formation and reservoirs.
9. Except to the extent contrary herewith, to extend the provisions of Office of Conservation Order No. 196-D, effective July 14, 2009, as amended and supplemented by the 196-D Series of Orders, and all applicable Statewide Orders, should apply to the Haynesville Zone, Reservoir A, units created herein.
10. To consider such other matters as may be pertinent.

The Haynesville Zone, Reservoir A was defined in Order No. 196-D, effective July 14, 2009.

The Cotton Valley Formation, Reservoir A, is hereby defined as that gas and condensate bearing interval between the depths of 7,450' and 8,996' (electrical log measurements) in the Diamond Oil, LLC-Justus 34 No. 1 Well, located in Section 34, Township 20 North, Range 11 West.

Plats are available for inspection in the Office of Conservation in **Baton Rouge and Shreveport, Louisiana**.

<http://dnr.louisiana.gov/conshearings>

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

5/25/10;5/28/10

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IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED ASSISTANCE, PLEASE CONTACT THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.