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July 2, 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.

Haynesville Zone, Reservoir A, ELM GROVE
FIELD, Bossier and Caddo Parishes, 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 Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier and Caddo Parishes, Louisiana:

1. To authorize Applicant to drill, designate and utilize three (3) horizontal wells as alternate unit wells on each of the units designated HA RA SUT, HA RA SU84, HA RA SU98 and HA RA SU99, all as shown on the attached plat.
2. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the Haynesville Zone, Reservoir A, underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
3. To permit the operator of each of these units to produce the allowable assigned to a unit from either the unit well, from any alternate unit well, or from any combination of such wells, at the option of the operator.
4. To provide that with respect to horizontal wells drilled to the Haynesville Zone within these units, 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(s) 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.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Elm Grove Field, was defined in Office of Conservation Order No. 361-L, effective July 29, 2008.

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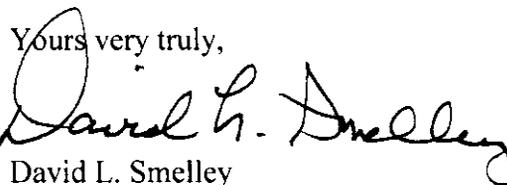
Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a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

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid 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 this letter, and of the attached plat, 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 the enclosed plat, 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 Elm Grove 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.

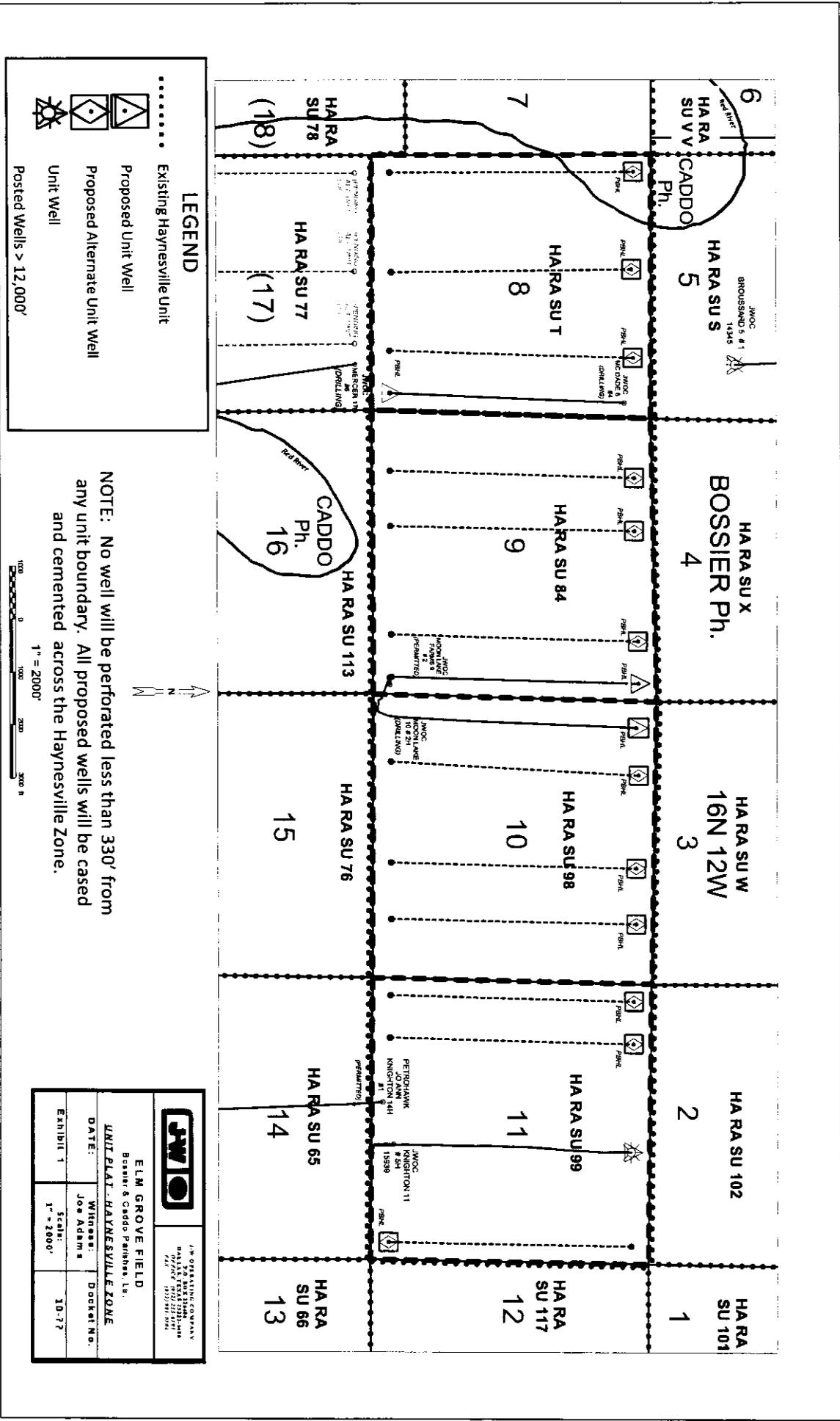
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp
Enclosures

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



LEGEND

- Existing Haynesville Unit
- Proposed Unit Well
- ⊗ Proposed Alternate Unit Well
- ★ Unit Well

Posted Wells > 12,000'

NOTE: No well will be perforated less than 330' from any unit boundary. All proposed wells will be cased and cemented across the Haynesville Zone.

1" = 2000'

JW		JW OPERATING COMPANY DALLAS, TEXAS 75244 P.O. BOX 100000 DALLAS, TEXAS 75280	
ELM GROVE FIELD Bossier & Caddo Parishes, La.			
UNIT PLAN - HAYNESVILLE ZONE			
DATE:	WITNESS:	Docket No.	
	Joe Adams		
Exhibit 1	Scale:	10-77	
	1" = 2000'		