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August 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.

Austin Chalk Zone, Reservoir A, NORTH BAYOU  
JACK FIELD, Avoyelles Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Austin Chalk Zone, Reservoir A, in the North Bayou Jack Field, Avoyelles Parish, Louisiana:

1. To create seven (7) additional drilling and production units for the exploration for and production of gas and condensate from the Austin Chalk Zone, Reservoir A, such units being shown on the attached plat and being designated AUS RA SUCC through AUS RA SUII.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within 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.
3. To designate a unit operator of, and a unit well for, each of the proposed units as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 1042-A, effective April 29, 1992, as amended and supplemented by the Order No. 1042-A series of Orders, and of all applicable Statewide Orders, to the proposed additional units for the Austin Chalk Zone, Reservoir A.

The Austin Chalk Zone, Reservoir A, in the North Bayou Jack Field, was defined in Order No. 1042-A, effective April 29, 1992.

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.

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By letter dated June 30, 2010, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:30 o'clock a.m. on July 23, 2010, in Lafayette, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

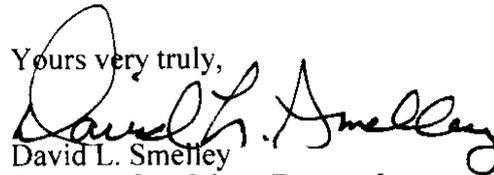
The undersigned and Mr. Joe Adams presented the geological, engineering and other bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. At the outset of this presentation it was noted that Applicant was revising the most easterly tier of proposed units by moving them slightly to the south. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant; after which the conference was adjourned with no counterplan having been presented.

Attached hereto is a plat showing the units to be created, which reflects the revision discussed above. Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Monroe District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of 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 North Bayou Jack Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Office of Conservation for the application fee.

Yours very truly,



David L. Smelley  
Attorney for Nelson Energy, Inc.

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DLS:dp

Enclosures

cc: Mr. Joseph F. DeVall (w/encls.)  
Mr. Craig Sceroler (w/encls.)  
Mr. Danny Moreland (w/encls.)  
Mr. Joe B. Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

APPROVED BY  
DATE: 8/2/10

