

**BOB F. ANDERSON, PE, INC.**  
**PETROLEUM ENGINEERS & CONSULTANTS**  
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August 9, 2010

Honorable James H. Welsh  
Commissioner of Conservation  
P O Box 94275  
Baton Rouge, Louisiana 70804-9275

Re: Application for Public Hearing  
Cotton Valley Zone, Reservoir A  
Cheniere Field, Ouachita Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **JAG OPERATING, LLC.**, (Applicant) to the Commissioner of Conservation for a Public Hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Zone, Reservoir A, Cheniere Field, Ouachita Parish, Louisiana:

1. To create one (1) 320 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the Cotton Valley Zone, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana, such unit being designated CV RA SUA, such unit shown on the attached plat and being made a part hereof.
2. The Cotton Valley A Sand was defined in Office of Conservation Order No. 560-B, effective April 1, 1963, in the Cheniere Field, Ouachita Parish, Louisiana, and is being requested to be redefined, **INSOFOR AND ONLY INSOFAR**, as to the Cotton Valley Zone, Reservoir A, for the proposed CV RA SUA as that gas and condensate interval encountered between the electric log intervals from 9,390 feet to 9,863 feet in the Douglas Whitaker – Johnson No.1 Well located in Section 18, Township 17 North, Range 2 East, Ouachita Parish, Louisiana.
3. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage basis of participation.
4. To provide that future wells to be drilled to the Cotton Valley Zone, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana, be located at least 330 feet from unit lines and 1,000 feet between wells.

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5. To provide for the reclassification of the Reservoir if the producing characteristics should change, without the necessity of a Public Hearing, if sufficient evidence is presented to and accepted by the Commissioner of Conservation to warrant a change.
6. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Cotton Valley A Sand, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No. 560-B, effective April 1, 1963 and is being requested to be redefined for and only in so far as it applies to the CV RA SUA being proposed herein in accordance with No. 2 hereof.

The pertinent data pertaining to this Application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A conference to discuss the proposed Application was held on August 9, 2010, and a list of parties attending the conference is attached. Mr. Tal Walker, Geologist representing JAG Operating, LLC, presented the geology to support the unit being proposed. There was no opposition expressed to the proposed unit.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this Application for Public Hearing is being sent. A copy of this letter, plat and list of parties is being sent to the District Manager of the Shreveport District Office of Conservation. A copy of this letter and plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

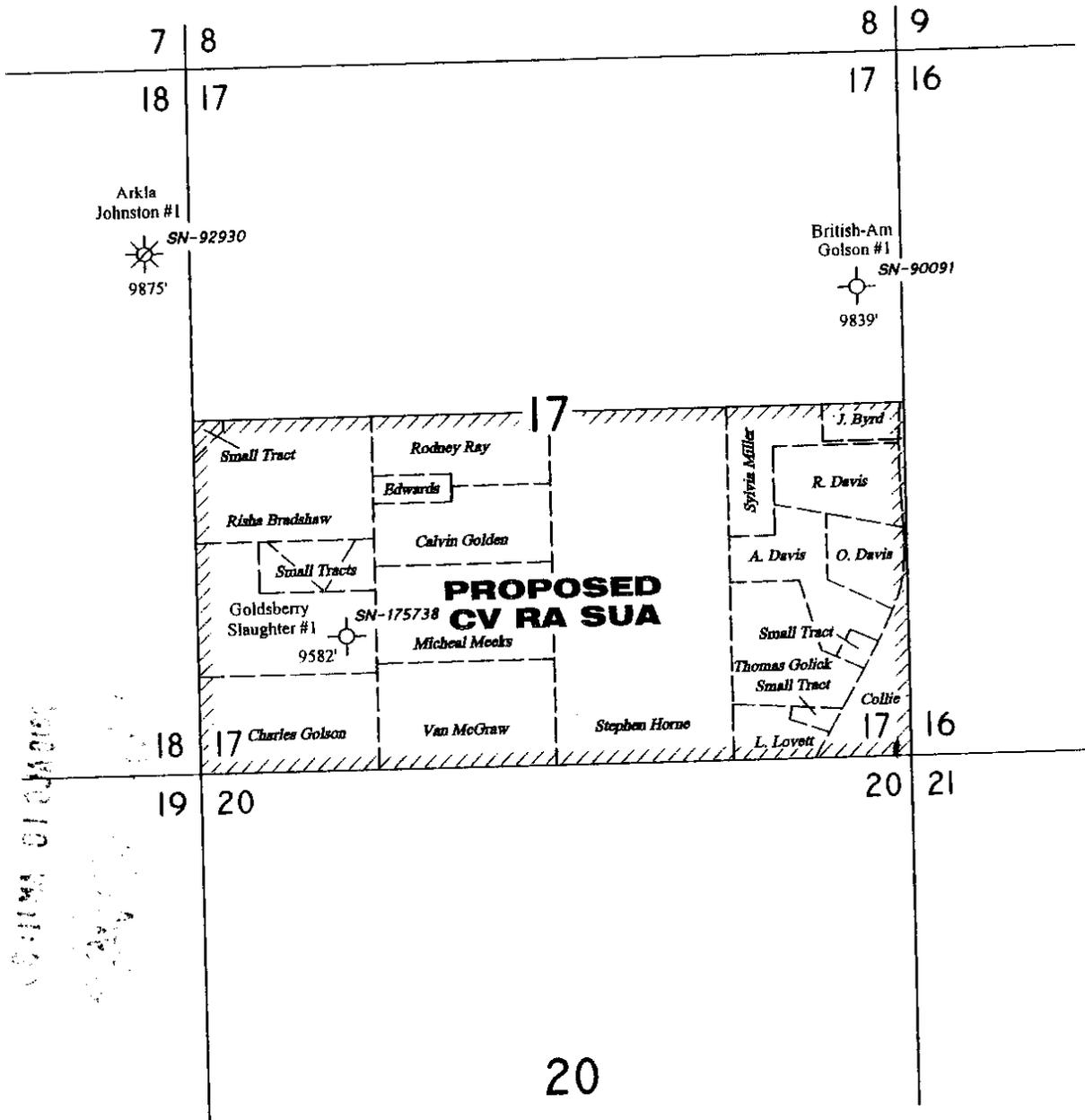
Yours truly,



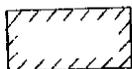
B. F. Anderson, PE, Consultant for  
**JAG OPERATING, LLC**

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation  
Interested Owners, Represented Parties and Interested Parties  
JAG Operating, LLC

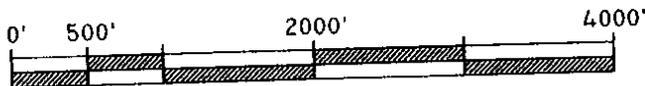
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17N-2E  
 17-18-19-20  
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PROPOSED UNIT BOUNDARY



**JAG OPERATING, LLC**

**CHENIERE FIELD**

OUACHITA PARISH, LOUISIANA

UNIT PLAT SHOWING  
 PROPOSED COTTON VALLEY ZONE,  
 RESERVOIR A SAND UNIT A

DOCKET NO. 10-

EXHIBIT NO. 1