



**BOBBY JINDAL**  
GOVERNOR

**State of Louisiana**  
**DEPARTMENT OF NATURAL RESOURCES**  
**OFFICE OF CONSERVATION**


**SCOTT A. ANGELLE**  
SECRETARY

**JAMES H. WELSH**  
COMMISSIONER OF CONSERVATION

**MEMORANDUM**

July 28, 2008

**TO:** All Concerned

**FROM:** James H. Welsh  
Commissioner of Conservation 

**SUBJECT:** Units for the Haynesville Shale and other shale formations– Defined Interval

Effective immediately, it will be the policy of the Office of Conservation that the defined interval in any order issued after the date of this Memorandum creating one or more units for the exploration for and production of gas and condensate from primarily shale formations, such as the Haynesville and Bossier Shales, shall not include any sandstone, limestone or other primarily non-shale intervals, such as the Cotton Valley or Smackover Formations, absent proof of exceptional circumstances.

This policy shall apply to pending unit proceedings, but in such pending proceedings, some consideration will be given for granting an exception based on undue prejudice to the applicant or other interested owners, represented parties or interested parties. With regard to pending unit proceedings, if the application and the correlative Legal Notice for that docket references a single definition which combines intervals containing primarily shale with other primarily non-shale intervals, the Office of Conservation shall consider that the creation of separate units for the primarily shale interval as well as the creation of separate units for (or a redefinition affecting) the primarily non-shale intervals included within the applicant's proposed definition, shall be within the call of the hearing for that docket, without the necessity of the filing of an amended application or the publication of a revised Legal Notice.

Without limitation, this policy shall apply to additional units created in fields for which existing units for any reservoir have a definition more expansive than that allowed by this policy. Applications for the revision of the defined interval of existing units to comply with this policy will be considered; however, due regard will be given for undue prejudice to the operator and other interested owners, particularly where a well or wells have previously been drilled sufficiently deep to test the primarily shale interval, and

further consideration will also be given to the general rule applicable to any request for a unit revision, that is, that the proposed revision must be supported by new data obtained after the hearing upon which the unit order is based.