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July 7, 2008

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone, Reservoir
A; ELM GROVE FIELD, Caddo Parish, 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 Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Lower Cotton Valley Zone, Reservoir A; all in the Elm Grove Field, Caddo Parish, Louisiana:

1. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A, such units being shown on an attached plat.
2. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat.
3. To create six (6) additional drilling and production units for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such units being shown on an attached plat.
4. 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.
5. To designate a unit operator of, and a unit well for, each of the proposed units as may be appropriate.
6. To approve exceptions to the spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and of Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to

the Lower Cotton Valley Zone, Reservoir A), so as to permit the operator of existing units and proposed units covering Sections 20 and 21, Township 16 North, Range 13 West, Caddo Parish, Louisiana, to drill the unit wells for these units at the locations shown on the attached plats.

7. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and from the Hosston Zone, Reservoir A; or any combination thereof, in the wellbore of any well drilled on the proposed additional units for the Lower Cotton Valley Zone, Reservoir A, in which the interests in the units from which production is to be combined downhole are identical.

8. To redefine the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, insofar and only insofar as to the additional units proposed herein, as being that gas and condensate bearing interval encountered between the depths of 10,030 feet and 12,100 feet (electrical log measurements) in the J-W Operating Company--Cohort Energy et al. 22 No. 1 Well, located in Section 22, Township 16 North, Range 13 West, Caddo Parish, Louisiana.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972, as amended and supplemented, and of all applicable Statewide Orders, to the proposed additional units for the Hosston Zone, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-B, effective October 1, 1973, as amended and supplemented, and of all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.

11. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented, and of all applicable Statewide Orders, to the proposed additional units for the Lower Cotton Valley Zone, Reservoir A.

The Hosston Zone, Reservoir A, Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

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.

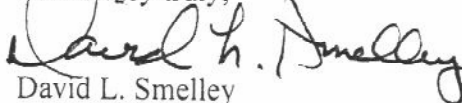
Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

Pursuant to the Revised 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 each of the unit plats is enclosed herewith and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 2:00 P.M. on July 31, 2008, at the Shreveport Petroleum Club, Fifteenth Floor, 416 Travis Street, Suite 1500, Shreveport, Louisiana 71101. THERE IS NO REQUIREMENT THAT ANY PERSON RECEIVING THIS LETTER ATTEND THIS CONFERENCE. This is merely an invitation to attend and participate if you so desire. Also, it is not necessary to attend the conference in order to have questions answered relating to land and how it will be affected by these proposals. Any person having such questions is encouraged to call Ms. Tanya Allen at (318) 227-8191.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats 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, 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 Commissioner of Conservation for 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.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Ms. Patty DuBois (w/encls.)
Ms. Tanya Allen (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



18

17

16

15

HOSS RA SU 93
16N 13W
Caddo Ph.

(15)

Proposed
HOSS RA SU
~ 575 Acres

19

Proposed
HOSS RA SU
~ 640 Acres

20

HOSS RA SU 99

21

HOSS RA SU 94

38

16N 13W

30

29

28

HOSS RA SU 98

(27)

HOSS RA SU 95

LEGEND

Existing Units 361-A Series

Proposed Hossion Unit

Proposed Unit Well

Approved Alternate Unit Well

Posted Wells > 6000'



J. W. GRIFFIN & SONS, INC.
P.O. Box 1000, Sulphur, LA 70588
OFFICE: (504) 622-1000
FAX: (504) 622-1001

ELM GROVE FIELD
Caddo Parish, La.

PROPOSED UNITS - HOSSION ZONE

DATE: _____
Witness: Joe Adams, District No. _____

Enthal: 1
Scale: 1" = 3000' 08-79