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July 31, 2008

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: REPORT OF CONFERENCE AND
AMENDMENT OF APPLICATION.

Hosston Zone, Reservoir A; Cotton Valley
Formation, Reservoir A; and Lower Cotton
Valley Zone, Reservoir A; ELM GROVE FIELD,
Caddo Parish, Louisiana.

Dear Sir:

Reference is made to the application of J-W Operating Company ("Applicant") dated July 7, 2008, and relating to the captioned intervals in Elm Grove Field, which is scheduled for public hearing in Baton Rouge, Louisiana, on August 19, 2008, under Docket Nos. 08-1209 through 08-1217. Pursuant to the application, a pre-hearing conference was held on July 31, 2008, in Shreveport, Louisiana, to discuss the proposals of Applicant. Attached is a list of those persons attending the conference.

The purpose of the conference was explained as well as the 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 the conference it was announced that Applicant was amending its proposals in the following manner:

1. To redefine the Lower Cotton Valley Formation, Reservoir A, as to the six (6) additional units proposed to be created for that interval, as being that gas and condensate bearing interval encountered between the depths of 10,030 feet and 10,670 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. This redefinition would not include any portion of the Haynesville or Bossier shale underlying those proposed units within the definition of the Lower Cotton Valley Zone, Reservoir A.

2. To create six (6) drilling and production units for the Haynesville Zone, Reservoir A, being identical to the proposed additional units for the Lower Cotton Valley Zone, Reservoir A, and to define the Haynesville Zone, Reservoir A, as to such proposed units as being that gas and condensate bearing interval having a top of 10,670 feet (electrical log measurement) 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, and having a base of the stratigraphic equivalent of the depth of 11,487 feet (electrical log measurement) in the Chesapeake Operating, Inc.--SRLT 29 No. 1 Well, located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana. This definition of the Haynesville Zone, Reservoir A, would constitute

Shreveport
Section

an interval comprised primarily of shale. Attached is a plat showing the six (6) drilling and production units proposed to be created for the Haynesville Zone, Reservoir A.

3. To propose that future wells drilled to the Haynesville Zone, Reservoir A, in the Elm Grove Field be located no closer than 330 feet to any unit line and no closer than 660 feet to any other well completed in, drilling to, or for which a permit has been granted to drill to, the Haynesville Zone, Reservoir A, and to provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within the proposed units, where the horizontal lateral portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.

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

In addition, as the location of the proposed unit well for the proposed units comprising Section 20, Township 16 North, Range 13 West, Caddo Parish, Louisiana, has been moved to a location in compliance with the spacing provisions applicable to the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, Applicant is deleting from its proposals a request for approval of an exceptional location for the unit well for those units. Except as amended above, Applicant will proceed with its original proposals at the hearing to be held herein. Following presentation by Applicant, there was a general question and answer period concerning the revised proposals. Thereafter the conference was adjourned with no counterplan having been presented.

A copy of this conference report and amendment is being furnished to the District Manager of the Shreveport District of the Office of Conservation, to all conference attendees, and to all Interested Owners, Represented Parties and Interested Parties.

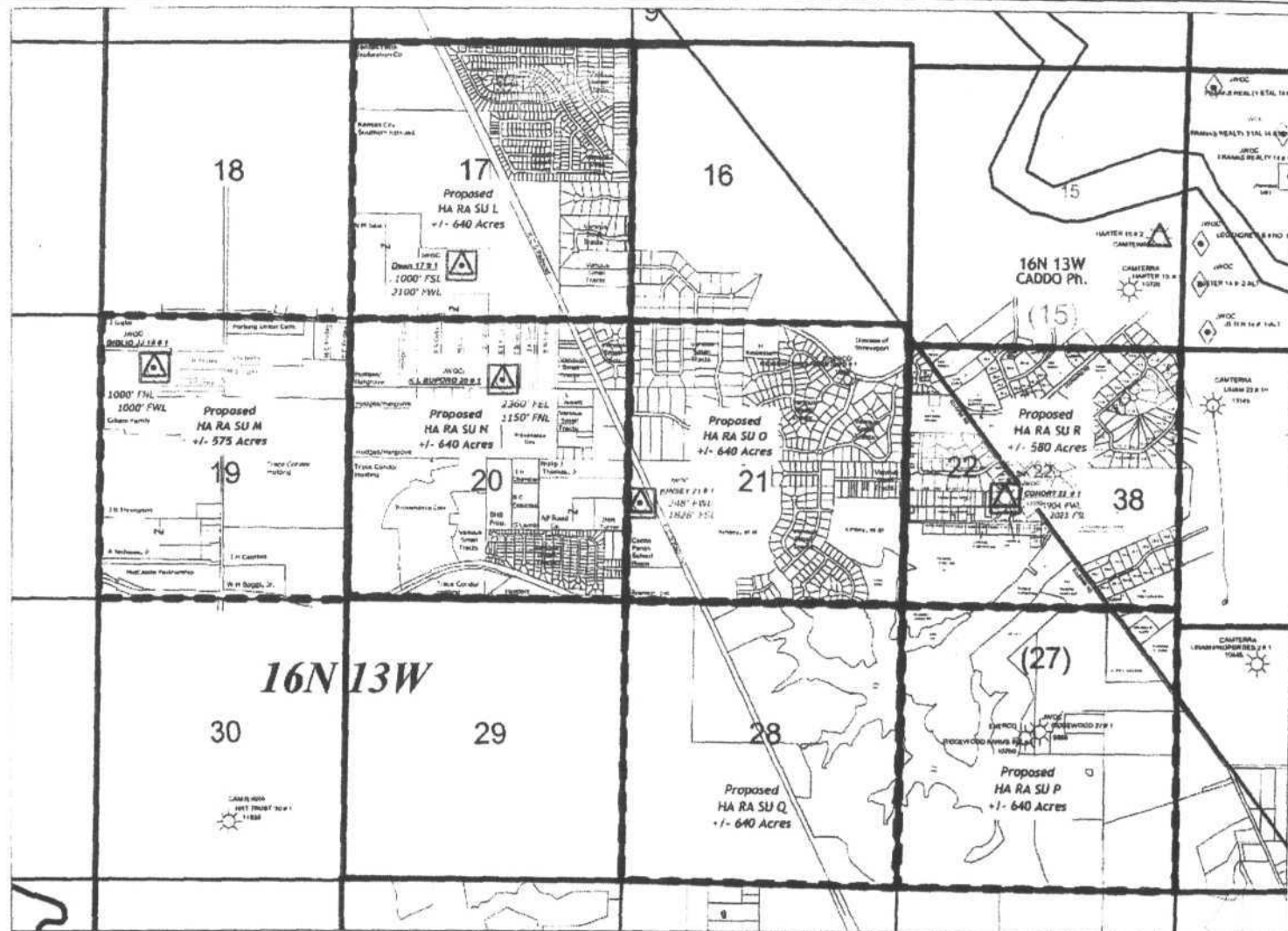
Yours very truly,

David L. Smelley





Attorney for J-W Operating Company

DLS:dp

cc: Mr. James C. Broussard
Mr. Jerry Wooten
Mr. Michael Baca
Ms. Patty DuBois
Ms. Tanya Allen
Mr. Joe B. Adams
Conference Attendees
Interested Owners, Represented
Parties and Interested Parties



LEGEND

-  Proposed Haynesville Units
-  Proposed Unit Well
-  Unit Well
-  Posted Wells > 8,000'



J.W. CHEMICAL COMPANY
P.O. Box 1000
DALLAS, TEXAS 75201-0000
(214) 761-1000
(214) 761-1001
(214) 761-1002

ELM GROVE FIELD
Caddo Parish, La.
**PROPOSED UNITS
HAYNESVILLE ZONE**

DATE	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 3000'	08-77

PLEASE PRINT COMPLETE ADDRESS

ATTENDANCE LIST PRE-HEARING CONFERENCE

SAND: Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone, Reservoir A
FIELD: Elm Grove
PARISH: Caddo
DATE: July 31, 2008

NAME	ADDRESS	REPRESENTING
David L. Smelley	P.O. Box 59 Shreveport, LA 71161	J-W Operating Company
Joe B. Adams	21010 Vermont Street Livingston, Louisiana 70754	J-W Operating Company
Rob L Phillips	10432 Plum Creek Spart LA 71106	
LAURIE CASCIOLA	10101 E KINGS HWY SHV LA 71115	
Lamar & Kim Jinbo	169 Rustic Way Spart, La 71106	
LAKE BAKER 10955 BRICKTON LN. ARISCO, TX 75034		
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E. Cobbo	225 Overton 71106 BROOKS	
J.E. Guy	235 Overton Brooks 71106	
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Francine Miller	P.O. Box 5040 James Young & Shreveport 71135 Assn.	
RANDY SONGY	P.O. DRAWER 3507 LAFAYETTE, LA 70508	CHESAPEAKE
Susan Standke	4718 Fairfield	
Wm H Luml	400 Regency 9845 Highway	
Shereall Gurey	S'Port	Self + Everett Orl

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NAME	ADDRESS	REPRESENTING
David L. Smelley	P.O. Box 59 Shreveport, LA 71161	J-W Operating Company
Joe B. Adams	21010 Vermont Street Livingston, Louisiana 70754	J-W Operating Company
Jane H. Nell	318 Wildoak Dr. Shreveport, LA 71106	Wildoak Comm.
EDD BOMAR	10037 FERRY CREEK SHREVEPORT LA 71106	
Gloria Hoopes	2040 Pepper Ridge Shreveport, LA	Self
Kerry M. Peralta	10190 Trailridge Shreveport, LA 71106	Self
Ruth Baker	6074 Benwood Cir Shreveport 71106	Self
Bill [Signature]	219 Wingfield Shreveport	ME
Chas Capron	9970 Mossy Knoll 71106	
JEFF WEISS	PO BOX 21990 SHREVEPORT, LA 71120	Provenance Development (Company), LLC
Jerry Brown	553 Grand Oaks Dr. Shreveport, LA 71106	Self
DON LIPVEGAFF	1054 CAPILANO	SELF
Paul M. Burch	9091 Ferry Creek Dr.	Self
Wendy L. Cantel	1125 Colwood Creek	Self
[Signature]	P.O. Box 46 71104	Self
Joe Giglio	2110 Highland Street 71104	Self
[Signature]	9845 Hocany Ln SHREVEPORT 71106	Self

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SAND: Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone. Reservoir A
FIELD: Elm Grove
PARISH: Caddo
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NAME	ADDRESS	REPRESENTING
David L. Smelley	P.O. Box 59 Shreveport, LA 71161	J-W Operating Company
Joe B. Adams	21010 Vermont Street Livingston, Louisiana 70754	J-W Operating Company
<i>Ray Jenkins</i>	<i>2809 Lewis Rd</i>	<i>Shreveport 71106</i>
<i>Louise Henderson</i>	<i>9480 Woodbriar Rd.</i>	<i>Spport 71129</i>
<i>James Gregory</i>	<i>10695 Goldberry</i>	
<i>Walter F Johnson</i>	<i>4300 Yancey St Ste 315</i>	<i>71105 Parker</i>
<i>Larry Russo</i>	<i>Kinsey Interests, Inc 401 Edwards St 1805</i>	<i>71101</i>
<i>Tim Chance</i>	<i>10115 Trailridge Dr Shreveport, LA 71106</i>	
<i>OC Robinson</i>	<i>72182 Liberty St</i>	<i>71106</i>
<i>MARY GUY</i>	<i>235 Overton Blvd Sport, LA 71106</i>	<i>SPD</i>
<i>James C. Bates</i>	<i>318 St. Charles St. Baton Rouge, LA 70802</i>	<i>Providence Dev.</i>
<i>Brenda Oduze</i>	<i>P.O. Box 521 Rowlett, TX 75080</i>	<i>Brenda Oduze</i>
<i>Charles Madden</i>	<i>10015 Norris Ferry Sport LA 71106</i>	
<i>Don Dorris</i>	<i>Sport, LA 71106 9902 Beaver Creek</i>	<i>Self</i>
<i>B.L. Crawford</i>	<i>Shreveport, LA 9914 Beaver Creek</i>	<i>Self</i>