

STATE OF LOUISIANA
OFFICE OF CONSERVATION
BATON ROUGE, LOUISIANA

July 16, 2009

ORDER NO. 191-H-50

Order concerning the creation of one (1) additional drilling and production unit for the **Haynesville Zone, Reservoir A**, and the redefinition of the Haynesville Zone, Reservoir A, as to such additional unit in the **CASPIANA FIELD**, DeSoto Parish, Louisiana.

Pursuant to power delegated under the laws of the State of Louisiana, and particularly Title 30 of the Louisiana Revised Statutes of 1950, and after a public hearing held under **Docket No. 09-662** in Baton Rouge, Louisiana, on **June 23, 2009**, upon the application of **EXCO PRODUCTION COMPANY, LP**, following legal publication of notice and notice in accordance with the rules prescribed by the Commissioner of Conservation, the following Order is issued and promulgated by the Commissioner of Conservation as being reasonably necessary to conserve the natural resources of the State, to prevent waste as defined by law, to avoid the drilling of unnecessary wells, and otherwise to carry out the provisions of the laws of this State.

DEFINITION

The Haynesville Zone, Reservoir A, in the Caspiana Field, was defined in Office of Conservation Order No. 191-H, effective August 28, 2007, and is hereby redefined INsofar AND ONLY INsofar as HA RA SU92 is concerned as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,217 feet and 12,055 feet (electrical log measurements) in the EXCO Production Company, LP - Lee 19 No. 1 Well, located in Section 19, Township 14 North, Range 12 West, DeSoto Parish, Louisiana.

FINDINGS

The Commissioner of Conservation finds as follows:

1. That Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the 191-H Series of Orders, established rules and regulations and created drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo, DeSoto and Red River Parishes, Louisiana.
2. That the available geological, engineering or other appropriate information indicates that the creation of one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana, is necessary to insure orderly development, to prevent waste, and to avoid the drilling of unnecessary wells.
3. That the available geological, engineering or other appropriate information indicates that the unit designated HA RA SU92, as more particularly shown on the plat labeled, "EXCO Production Co., L.P. - Exhibit No. 1 for Docket No. 09-662", a copy of which is attached hereto, is reasonable and should be adopted; that said unit can be efficiently and economically drained by one well, and that creation of such unit should reasonably assure to each separate tract included therein an opportunity to recover its just and equitable share of the contents of the reservoir.

4. That the separately owned tracts, mineral leases and other property interests within the additional unit created herein should be force pooled and integrated with each separate tract sharing in unit production on a surface acreage basis of participation.

5. That EXCO Production Company, LP, should be designated as operator of the additional unit created herein.

6. That the EXCO Production Company, LP - Branch Ranch 32 No. 1 Well should be designated as the unit well for the unit created herein, said well being located as shown on the attached plat, reference Finding No. 3 above.

7. That with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve the unit created herein, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary and any offset well(s) should be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus.

8. That except to the extent contrary herewith, the provisions of Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the 191-H Series of Orders and all applicable Statewide Orders should be extended to the additional unit created herein.

ORDER

NOW, THEREFORE, IT IS ORDERED THAT:

1. The Haynesville Zone, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana, is hereby redefined in the manner set forth in the DEFINITION Section above, INSOFAR AND ONLY INSOFAR as to the additional unit designated HA RA SU92 created by this Order.

2. The unit designated HA RA SU92, as more particularly shown on the plat labeled, "EXCO Production Co., L.P. - Exhibit No. 1 for Docket No. 09-662", a copy of which is attached hereto and made a part hereof, be and it is hereby approved and adopted as an additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana.

The unit has not been surveyed, and when a survey plat of the unit, showing the exterior limits thereof, the total acreage therein, and the acreage in each separately owned tract, has been submitted to and accepted by the Commissioner of Conservation or any member of his staff, insofar as it shows the exterior limits of the unit, said plat shall be substituted for the above exhibit and made a part of this Order by reference. In the event of conflicting claims of ownership of acreage in the unit, such acreage may be so identified on the survey plat. Such identification of acreage subject to conflicting claims shall not be construed as an acknowledgment of the validity of any such claims, and shall not affect any other acreage in the separately owned tracts in the unit.

The survey plat shall be prepared in accordance with the requirements for unit plats and survey plats adopted by the Commissioner of Conservation. It is recognized that the exterior boundary lines of the unit, as surveyed, may differ from those lines as shown on the attached plat because of the requirement that by survey the geologically significant wells be correctly located with respect to each other and to the unit boundary lines that they control.

3. The separately owned tracts, mineral leases, and other property interests within the additional unit created herein are hereby pooled, consolidated, and integrated in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production in the proportion that the surface area of such tract bears to the entire surface

area of said unit. Also, all operations on and production from the unit shall be considered operations on and production from each of the separate tracts within such unit and under the terms of each of the mineral leases affecting said tracts.

4. The operator of the additional unit created herein is designated in accordance with Finding No. 5 hereof.

5. The unit well for the additional unit created herein is designated in accordance with Finding No. 6 hereof.

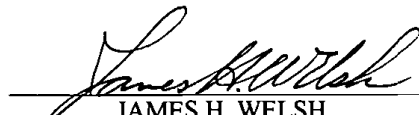
6. With respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, within or to serve the unit created herein, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary and any offset well(s) shall be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus.

7. Except to the extent contrary herewith, the provisions of Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the 191-H Series of Orders, and all applicable Statewide Orders shall apply to the additional unit created herein.

8. When there is obtained additional geological, engineering, or other appropriate information which would indicate required a change or revision of the unit boundaries as adopted herein, or which would indicate a required change or revision of other provisions of this Order, the party or parties in possession of such additional information shall petition the Commissioner of Conservation for a public hearing for the purpose of considering appropriate changes.

This Order shall be effective on and after June 23, 2009.

OFFICE OF CONSERVATION
OF THE STATE OF LOUISIANA



JAMES H. WELSH
COMMISSIONER OF CONSERVATION

ELP *hac*

EXCO Production Co., L.P.
Exhibit No. 1 for Docket No. 09-662
Attached

S

T14N-R12W

HA RA SU66

HA RA SU65

CHESAPEAKE
FRITH 29H #1
SN 239232

30

29

29

28

31

32

32

33

2000'

Francis H Frith, Etal

James William Lee

HA RA SU53

32

(+/-640 ACRES)

PROPOSED HA RA SU92

Branch Ranch, Inc.

EXCO
BRANCH RANCH 32 #1
SN 239378

Hewitt Land Investments, LLC

31

32

32

33

2000'

6

5

5

4

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PROPOSED SL & POINT OF PENETRATION
(350' FSL & 2000' FWL OF 32-14N-12W)



PROPOSED BOTTOM HOLE LOCATION
(400' FNL & 2000' FWL OF 32-14N-12W)



EXCO PRODUCTION CO., L.P.

CASPIANA FIELD

DESOTO PARISH, LOUISIANA

PLAT SHOWING

PROPOSED +/-640 ACRE HAYNESVILLE UNIT
AND UNIT WELL @ EXCEPTIONAL LOCATION

JUNE 23, 2009

DOCKET NO. 09-662

EXHIBIT NO.1