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October 30, 2008

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Richard W. Revels, Jr. rwrevels@liskow.com

Honorable James H. Welsh Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: Cotton Valley Formation, Reservoir A
Haynesville Zone, Reservoir A
King Hill Field

Natchitoches and Red River Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of ENCANA OIL & GAS (USA), INC. for the calling of public hearings, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters:

Cotton Valley Formation, Reservoir A

- 1. To redefine the Cotton Valley Formation, Reservoir A, in King Hill Field, as being that gas and condensate bearing zone encountered between the depths of 10,020 feet and 12,705 feet (electrical log measurements) in the EnCana Oil & Gas, Inc. Janette L. Messenger 8 No. 1Well, located in Section 8, Township 10 North, Range 9 West, Natchitoches Parish, Louisiana.
- 2. To confirm and continue in effect the provisions of Office of Conservation Order No. 1243-A, effective April 29, 2008, all the units created thereby.
- To consider such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, in the King Hill Field, Natchitoches and Red River Parishes, Louisiana, was previously defined in Office of Conservation Order No. 1243-A, effective April 29, 2008, and is redefined as stated above reference Finding No. 1 hereof.

Haynesville Zone, Reservoir A

- 1. To establish rules and regulations and to create eight (8) drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the King Hill Field, Natchitoches and Red River Parishes, Louisiana, said units to be designated HA RA SUA through HA RA SUH, all as shown on the plat attached hereto and made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate EnCana Oil & Gas (USA) Inc. as operator of the proposed HA RA SUA.
- To designate its Janette L. Messenger 8 No. 1 Well as unit well for the proposed HA RA SUA.

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- 5. To provide that any future unit, substitute and/or alternate unit wells drilled to the Haynesville Zone, Reservoir A, in the King Hill Field, within or outside the units created herein, should be located no closer than 330 feet from any unit line and no closer than 660 feet to any well on a competitive unit completed in, drilling to, or for which a permit has been granted to drill to the Haynesville Zone, Reservoir A; and to provide that horizontal wells drilled to the Haynesville Zone, Reservoir A, 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 will be calculated based on the distance to the nearest perforations in the well, and not based on the penetration point or terminus.
- To consider such others matters as may be pertinent.

The Haynesville Zone, Reservoir A, in the King Hill Field, Natchitoches and Red River Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 12,705 feet and 13,896 feet (electrical log measurements) in the EnCana Oil & Gas (USA), Inc. – Janette L. Messenger 8 No. 1 Well, located in Section 8, Township 10 North, Range 9 West, Natchitoches Parish, Louisiana.

Any pertinent data, including well logs, not available at the Office of Conservation, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Bill Dale with W. H. Robbins & Associates, L.L.C., 302 LaRue France, Lafayette, Louisiana 70508, Telephone Number (337) 232-5004.

Pursuant to the Rules of Procedure, a pre-application conference was held on October 29, 2008, in Natchitoches, Louisiana, at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the applicant's requests. Several questions were asked and answered. Some opposition was expressed; however, no counterplans were presented. The conference was then adjourned.

Attached hereto and made a part hereof are plats outlining the applicant's proposals, the conference attendance list and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$1,510.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Sincerely,

LISKOW & LEWIS

Richard W. Revels, Jr.

RWRjr:dbf Attachments

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

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