

# BLANCHARD WALKER

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BLANCHARD, WALKER, O'QUIN & ROBERTS  
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October 4, 2007

**WM. TIMOTHY ALLEN, III**

**Direct:** 318.934.0217

**Email:** tallen@bwor.com

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION  
Hosston Formation, Reservoir B  
Cotton Valley Formation, Reservoir B  
Woodardville Field  
Red River Parish, Louisiana  
Our File No. 250219.0016

Dear Sir:

On behalf of ENSIGHT III ENERGY MANAGEMENT, LLC, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Hosston Formation, Reservoir B and the Cotton Valley Formation, Reservoir B, in the Woodardville Field, Red River Parish, Louisiana:

1. To create eleven (11) additional drilling and production units (to be designated as HOSS RB SU54 thru HOSS RB SU64) for the Hosston Formation, Reservoir B, in the Woodardville Field, Red River Parish, Louisiana, as shown on the plat attached hereto.
2. To create eleven (11) additional drilling and production units (to be designated as CV RB SU54 thru CV RB SU64 ) for the Cotton Valley Formation, Reservoir B, in the Woodardville Field, Red River Parish, Louisiana, as shown on the plat attached hereto.
3. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within said units, with allocation of production from the unit well to the tracts within each unit therefor to be on the basis of surface acreage.
4. To permit the downhole combination of the Hosston Formation, Reservoir B and the Cotton Valley Formation, Reservoir B in the wellbore of any well located in HOSS RB SU54 thru HOSS RB SU64 and CV RB SU54 thru CV RB SU64 in which the ownership and acreage is identical;
5. To redefine the Cotton Valley Formation, Reservoir B, in the Woodardville Field, INSOFAR AND ONLY INSOFAR as to CV RB SU54 thru CV RB SU64, as being that gas and condensate bearing interval encountered between the depths of 9,383 feet and 10,200 feet (electrical log measurements) in the Will-Drill Production Co., Inc. - Woodard Villa Inc. No. 1 Well, located in Section 27, Township 15 North, Range 9 West, Bienville Parish, Louisiana.
6. Except to the extent inconsistent herewith, to extend the provisions of Office of Conservation Order No. 990-C, effective February 1, 2006, to the proposed Hosston Formation, Reservoir B units and Office of Conservation Order No. 990-B, effective September 13, 2005, to the proposed Cotton Valley Formation, Reservoir B units.

6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir B, in the Woodardville Field, Bienville and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 990-C, effective February 1, 2006.

The Cotton Valley Formation, Reservoir B, in the Woodardville Field, Bienville and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 990-B, effective September 13, 2005, and was redefined in Office of Conservation Order No. 990-B-10, effective January 9, 2007, INSOFAR AS CV RB SUQ through CV RB SUT are concerned, and shall be further redefined as set forth above as to the proposed units..

Pertinent data concerning the intended application will be made available for inspection at the offices of EnSight III Energy Management, LLC, 333 Texas Street, Suite 1175, Shreveport, Louisiana 71101-3676. Any person wishing to inspect such data should call Chris Franks at (318) 429-2204 during normal business hours or write Mr. Franks at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A Pre-Application Conference was held at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Suite 1400, Shreveport, Louisiana, on October 3, 2007 at 10:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological and other bases for its proposal, a general discussion ensued prior to adjournment. Bill Robbins representing Encana Oil & Gas (USA), Inc. proposed that the Cotton Valley, Reservoir B, be further redefined to coincide with the redefinition in Office of Conservation Order No. 990-B-23, effective July 17, 2007 and this issue was discussed. EnSight III Energy Management, LLC and Will-Drill Production Co., Inc. expressed opposition to such redefinition insofar as it extends the base of the Cotton Valley, Reservoir B, although EnSight agreed to the redefinition in Order No. 990-B-10 noted above insofar as it amends the top of the Cotton Valley, Reservoir B to coincide with the base of the Hosston Formation, Reservoir B. It is anticipated that the hearing regarding the captioned matter may be contested.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list, and to the Pre-Application Conference Attendees.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 

Wm. Timothy Allen III

Attorneys for EnSight III Energy Management, LLC

WTAIII:kmw  
Enclosures

cc: Mr. James C. Broussard, District Manager  
Office of Conservation, Shreveport, La. (w/enclosures)  
cc: Interested Owners, Represented Parties  
and Interested Parties (w/copy of plats only)  
cc: Pre-Application Conference Attendees  
(Attendance List attached)

