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April 15, 2011

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: APPLICATION FOR PUBLIC HEARING.

Pettet Zone, Reservoir A, and Hosston Zone,  
Reservoir B, RED RIVER-BULL BAYOU FIELD,  
DeSoto and Red River Parishes, 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 Pettet Zone, Reservoir A, and to the Hosston Zone, Reservoir B, in the Red River-Bull Bayou Field, DeSoto and Red River Parishes, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Pettet Zone, Reservoir A, and to create one (1) drilling and production unit for the Pettet Zone, Reservoir A, such unit being shown on an attached plat and being designated PET RA SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate an operator of, and unit well for, the proposed unit as may be appropriate.
4. To provide that future wells drilled to the Pettet Zone, Reservoir A, within or outside of the unit proposed herein, should be located in accordance with the spacing provisions of LAC 43: XIX.1901 et seq. (Statewide Order No. 29-E).
5. To define the Pettet Zone in the Red River-Bull Bayou Field as that gas and condensate bearing interval encountered between the depths of 5,640 feet and 6,084 feet (electrical

log measurements) in the J-W Operating Company (formerly Hilliard Petroleum, Inc.)--Tracy No. 1 Well, located in Section 3, Township 12 North, Range 11 West, Red River Parish, Louisiana.

6. To redefine the Hosston Zone, Reservoir B, in the Red River-Bull Bayou Field, insofar and only insofar as to the existing unit designated HOSS RB SUB, as being that gas and condensate bearing interval encountered between the depths of 6,084 feet and 7,940 feet (electrical log measurements) in the J-W Operating Company (formerly Hilliard Petroleum, Inc.)--Tracy No. 1 Well, located in Section 3, Township 12 North, Range 11 West, Red River Parish, Louisiana.

7. To confirm and continue in full force and effect the unit designated HOSS RB SUB as a drilling and production unit for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir B, in the Red River-Bull Bayou Field, DeSoto and Red River Parishes, Louisiana, as redefined in the manner provided above.

8. To authorize the downhole combination of production from the Pettet Zone, Reservoir A, underlying PET RA SUA, and from the Hosston Zone, Reservoir B, underlying HOSS RB SUB, in any well on these units in which the ownership interests in the units are identical.

9. To continue in full force and effect, except as in conflict with these proposals, the provisions of the Office of Conservation Order No. 109-N series of Orders, and of all applicable Statewide Orders, to the unit designated HOSS RB SUB.

10. To consider such other matters as may be pertinent to these proposals.

The Hosston Zone, Reservoir B, in the Red River-Bull Bayou Field, DeSoto and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 109-N-2, effective December 19, 2001.

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 pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated March 24, 2011, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on April 15, 2011, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

Honorable James H. Welsh  
April 15, 2011  
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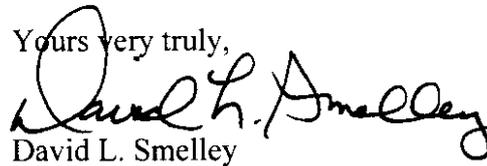
The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. Thereafter, the conference was adjourned with no counterplan having been presented.

Attached hereto are plats outlining the existing and proposed drilling and production units which are the subject of these proposals (which plats are identical to those attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

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 Red River-Bull Bayou 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,



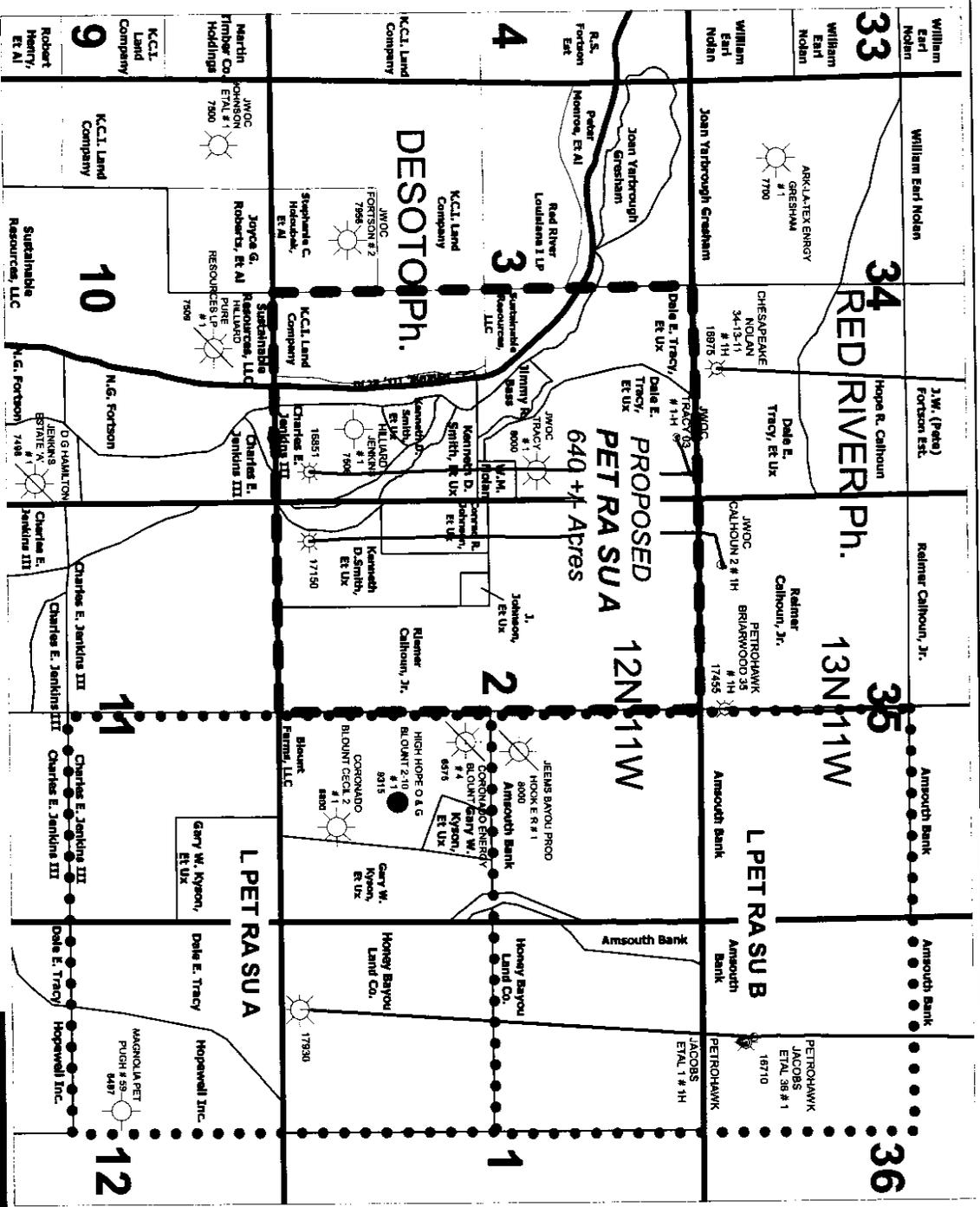
David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp

Enclosures

cc: Mr. James C. Broussard (w/encls.)  
Ms. Brenda Reed (w/encls.)  
Ms. Patty DuBois (w/encls.)  
Mr. Michael Baca (w/encls.)  
Ms. Sherra Kay Reed (w/encls.)  
Mr. Joe Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)

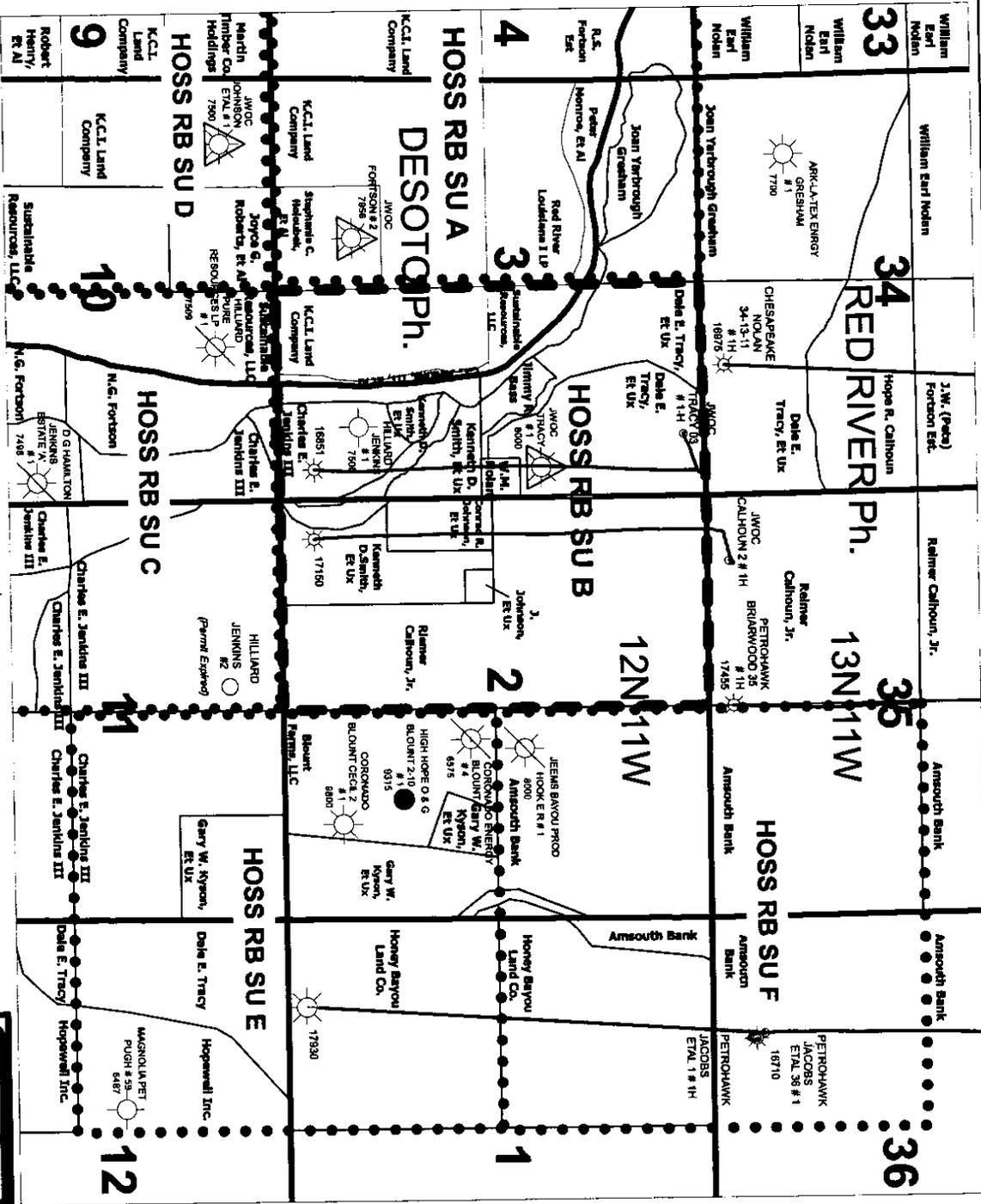


**LEGEND**

Proposed Pettret Unit  
 Approved L Pettret Unit  
 APO 109-T  
 Posted Wells <18,000'



		<b>J.W. OPERATING COMPANY</b> 1000 WEST WILSON STREET DALLAS, TEXAS 75202-4466 OFFICE (972) 218-9191 FAX (972) 995-0062	
<b>RED RIVER - BULL BAYOU FIELD</b> DESOTO & RED RIVER PARISHES, LA.			
<b>PROPOSED PETRET ZONE UNITS</b>			
DATE:	Witness:	Docket No.	
	Joe Adams		
Exhibit 1	Scale:	11-77	
	1"=2000'		



**LEGEND**

- ..... Existing Units 109-N Series
- - - - - Proposed Unit Redefinition
- ☀ Unit Well
- ☀ Posted Wells <18,000'

1" = 2000'

0 1000 2000

N

	
<b>J.W. OPERATING COMPANY</b> 400 TEXAS STREET SUITE 200 DALLAS, TEXAS 75201 PHONE: (214) 750-4488 FAX: (214) 750-4489	
<b>RED RIVER - BULL BAYOU FIELD</b> DESOTO & RED RIVER PARISHES, LA. <b>REDEFINITION UNIT PLAN</b> <b>HOSSSTON ZONE</b>	
DATE:	Witness: Joe Adams
Exhibit 1	Scale: 1" = 2000'
	Docket No. 11-77