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May 17, 2002

Honorable Felix J. Boudreaux
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

Re: HEARING APPLICATION
James Formation, Reservoirs A & B
Converse Field
DeSoto & Sabine Parishes, Louisiana
Our File No. 370306.0014

Dear Sir:

On behalf of PINNACLE OPERATING COMPANY, INC., 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 James Formation, Reservoirs A & B, in the Converse Field, DeSoto and Sabine Parishes, Louisiana:

1. To dissolve the drilling and production units designated as JAMES RA SUK, JAMES RA SUL, and JAMES RA SUQ, which were created by the Office of Conservation 501-B Series of Orders for the James Formation, Reservoir A, in the Converse Field, Sabine Parish, Louisiana.

2. Simultaneously with the dissolution of the abovesaid units, to create three (3) additional drilling and production units (to be designated as JA RB SUQ through JA RB SUS) for the James Formation, Reservoir B, in the Converse Field, Sabine Parish, Louisiana, as shown on the plat attached hereto.

3. 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.

4. To designate a unit operator and a unit well for certain of the units to be created hereby.

5. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., shall not apply to horizontal wells drilled to the James Formation, Reservoir B, in the Converse Field, within the units created hereby, but that all such wells shall be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.

6. To provide that special field spacing rules should be adopted for future horizontal wells drilled within the units created hereby to the James Formation, Reservoir B, in the Converse Field, which would provide: (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located no closer than 330 feet to any unit boundary; (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet; (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet; and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforestated provisions.

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

The James Formation, Reservoirs A & B, in the Converse Field, DeSoto and Sabine Parishes, Louisiana is fully defined in Office of Conservation Order No. 501-B, effective February 1, 1975.

Pertinent data regarding this application will be available for inspection at the offices of Long Petroleum, L.L.C., 400 Texas Street, Suite 800, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. David Benscoter at (318) 221-3516, during normal business hours, or write Mr. Benscoter at the above address, in order to arrange a time and date for such inspection. Copies of 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 copy of this notice, with the annexed plat, 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.

By Pre-Application Notice dated May 6, 2002, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference will be held.

A check in the amount of $700.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This notice 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, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: Wm. Timothy Allen III

Wm. Timothy Allen III
Attorneys for Pinnacle Operating Company, Inc.

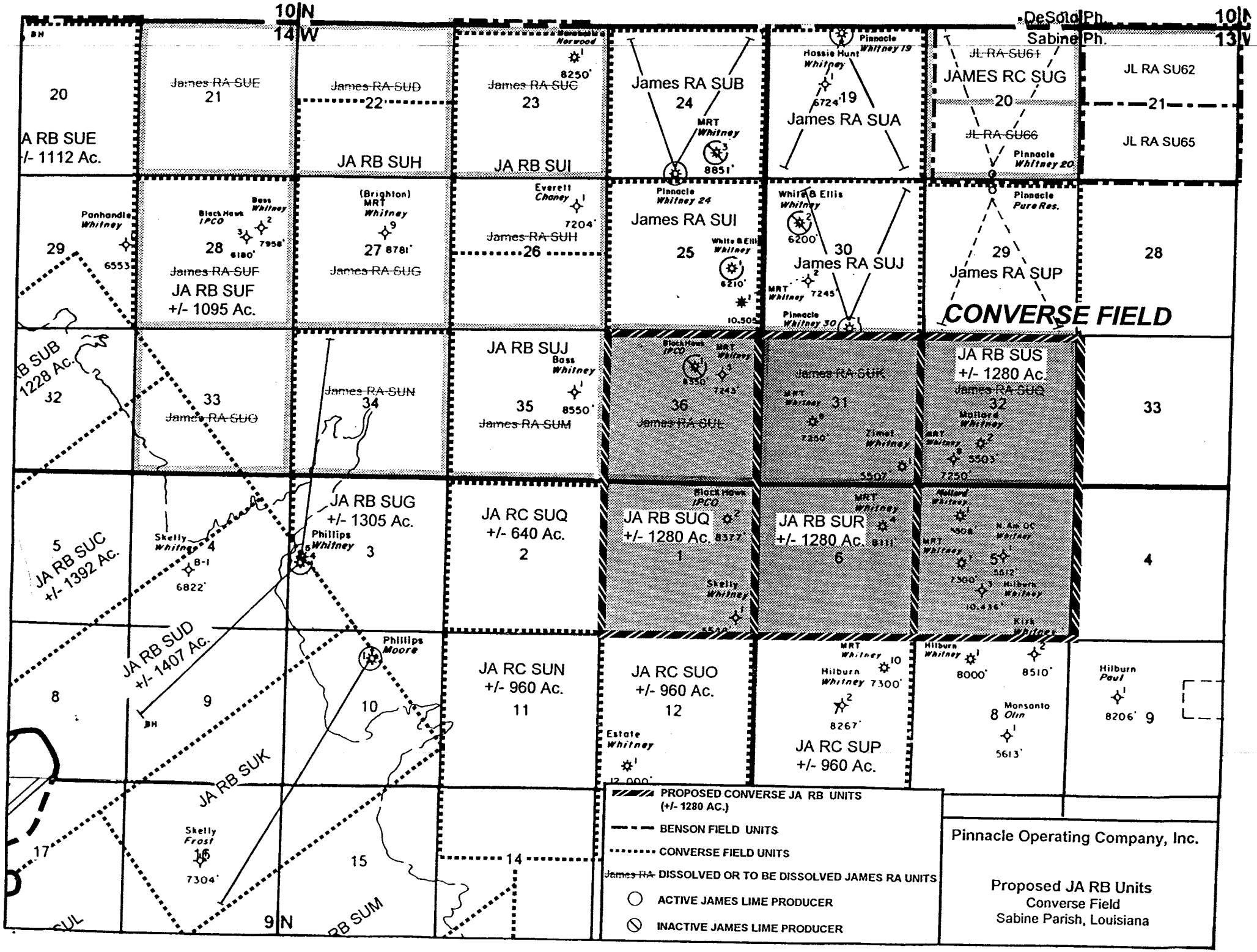
WTAIII/cmd
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)

Interested Owners, Represented Parties
and Interested Parties (w/ copy of plat only)

Mr. David Benscoter
Long Petroleum, L.L.C.

Mr. Mike Revere
Pinnacle Operating Company, Inc.


10 N
14 W
DeSoto Ph.
Sabine Ph.
10 N
13 W
20
A RB SUE
+/- 1112 Ac.
James RA SUE
21
James RA SUD
22
JA RB SUH
James RA SUC
23
JA RB SUI
James RA SUB
24
MRT
Whitney
James RA SUA
19
JL RA SU61
JAMES RC SUG
20
JL RA SU66
JL RA SU62
21
JL RA SU65
Pinnacle
Whitney 20
29
Panhandle
Whitney
28
Block Hawk
IPCO
Bass
Whitney
James RA SUF
JA RB SUF
+/- 1095 Ac.
(Brighton)
MRT
Whitney
27
James RA SUG
Everett
Chaney
James RA SUH
26
James RA SUI
25
Pinnacle
Whitney 24
White & Ellis
Whitney
30
James RA SUJ
Pinnacle
Whitney 30
29
James RA SUP
Pinnacle
Pure Res.
28
CONVERSE FIELD
B SUB
1228 Ac.
32
33
James RA SUO
James RA SUN
34
JA RB SUJ
35
James RA SUM
36
James RA SUL
James RA SUK
31
JA RB SUS
+/- 1280 Ac.
James RA SUQ
32
Mallard
Whitney
33
5
JA RB SUC
+/- 1392 Ac.
Skelly
Whitney
4
6822'
JA RB SUG
+/- 1305 Ac.
Phillips
Whitney
3
JA RC SUQ
+/- 640 Ac.
2
JA RB SUQ
+/- 1280 Ac.
1
JA RB SUR
+/- 1280 Ac.
6
5
4
JA RB SUD
+/- 1407 Ac.
8
9
Phillips
Moore
10
JA RC SUN
+/- 960 Ac.
11
JA RC SUO
+/- 960 Ac.
12
Estate
Whitney
Hilburn
Whitney
JA RC SUP
+/- 960 Ac.
Hilburn
Whitney
8000'
8510'
8
Monsanto
Olin
5613'
Hilburn
Paul
8206'
9
JA RB SUK
17
Skelly
Frost
7304'
15
14
9 N
RB SUM
PROPOSED CONVERSE JA RB UNITS
(+/- 1280 AC.)
BENSON FIELD UNITS
CONVERSE FIELD UNITS
James RA DISSOLVED OR TO BE DISSOLVED JAMES RA UNITS
ACTIVE JAMES LIME PRODUCER
INACTIVE JAMES LIME PRODUCER
Pinnacle Operating Company, Inc.
Proposed JA RB Units
Converse Field
Sabine Parish, Louisiana