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April 12, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Lower Cotton Valley Formation, Reservoir A; Cotton Valley "D" Zone; and Hosston (Travis Peak) Zone; SLIGO FIELD, Bossier Parish, Louisiana.

Dear Sir:

GREYSTONE PETROLEUM, L.L.C. ("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 Lower Cotton Valley Formation, Reservoir A; the Cotton Valley "D" Zone; and to the Hosston (Travis Peak) Zone; all in the Sligo Field, Bossier Parish, Louisiana:

1. To establish the unit allowable for each unit created for the Lower Cotton Valley Formation, Reservoir A, in the Sligo Field under the Office of Conservation Order No. 8-K series of Orders at a rate equal to the combined rate at which the unit well and alternate unit well or wells (whether one or more) located on each such unit are capable of efficiently producing.
2. To establish the unit allowable for each unit created for the Cotton Valley "D" Zone in the Sligo Field under the Office of Conservation Order No. 8-B series of Orders at a rate equal to the combined rate at which the unit well and alternate unit well or wells (whether one or more) located on each such unit are capable of efficiently producing.
3. To revise the provisions of Office of Conservation Order No. 8-B-19, effective January 31, 1990, and to establish the unit allowable for each unit created for the Hosston (Travis Peak) Zone in the Sligo Field under the Office of Conservation Order No. 8-B series of Orders at a rate equal to the combined rate at which the unit well and alternate unit well or wells (whether one or more) located on each such unit are capable of efficiently producing.
4. To continue in full force and effect the provisions of the Office of Conservation Order No. 8-K and 8-B series of Orders, and the units created thereby, except to the extent contrary herewith.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-K, effective October 16, 1990, and was redefined as to certain units created for the Lower Cotton Valley Formation, Reservoir A, by Office of Conservation Order No. 8-K-3, effective April 9, 1998, and Office of Conservation Order No. 8-K-11, effective November 27, 2001.

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The Cotton Valley "D" Zone and the Hosston (Travis Peak) Zone in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956, and the Hosston (Travis Peak) Zone was redefined as to the unit designated HOSS TP SUO by Office of Conservation Order No. 8-B-59, effective November 14, 1995.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

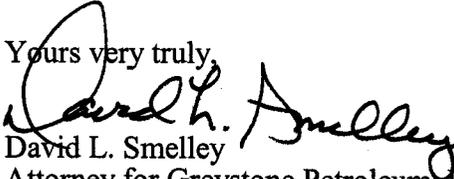
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat showing the existing units in Sligo Field for the Lower Cotton Valley Formation, Reservoir A, the Cotton Valley "D" Zone and the Hosston (Travis Peak) Zone, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plat, 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 Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed is a check payable to the Commissioner of Conservation for the application fee.

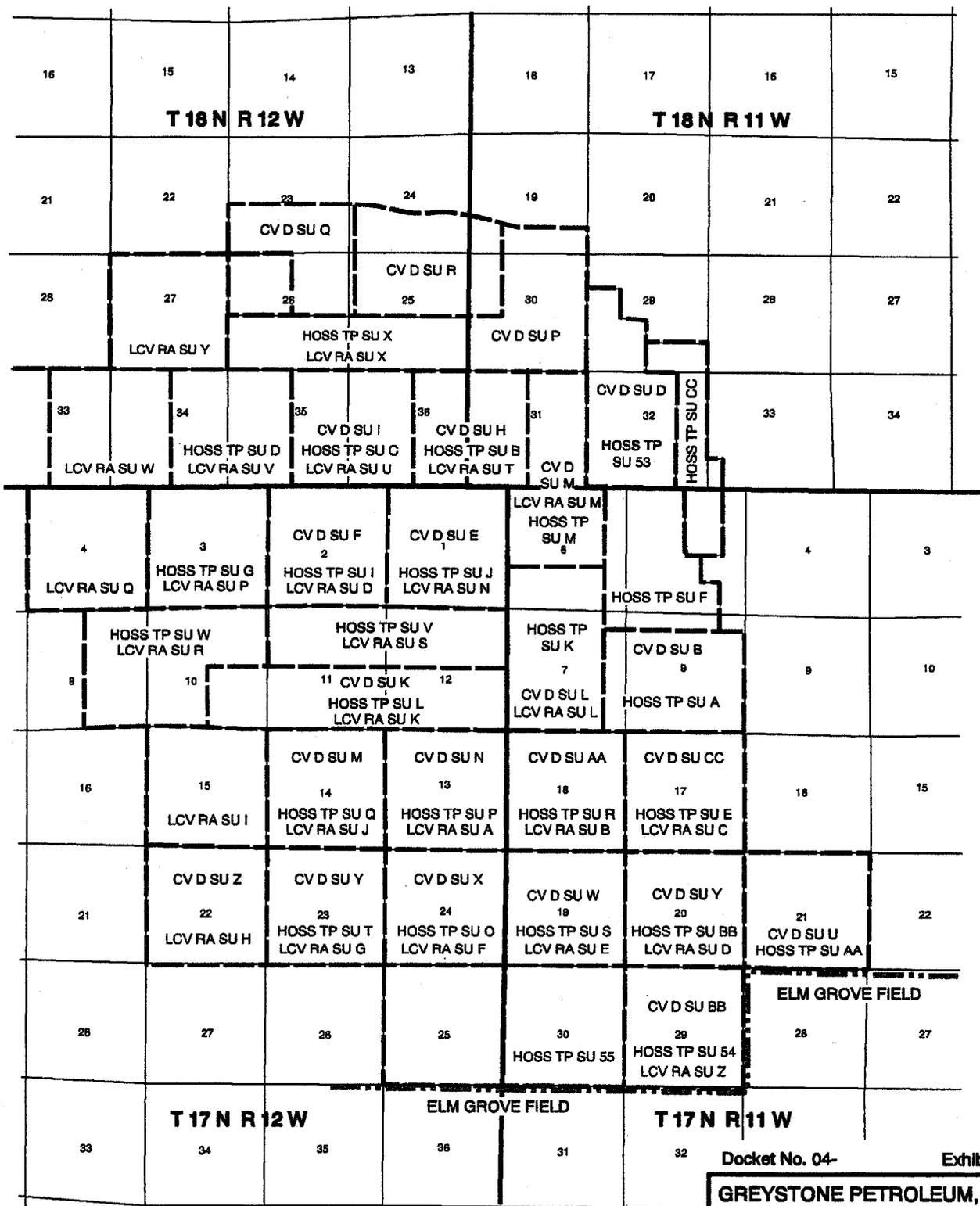
Yours very truly,


David L. Smelley
Attorney for Greystone Petroleum, L.L.C.

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DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Carl Drews (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)



Docket No. 04- Exhibit No.

GREYSTONE PETROLEUM, LLC

Sligo Field
Bossier Parish, Louisiana

Maximum Efficient Rate
 Hoss-TP, CV D, L CV

Joe B. Adams Consulting Geologist

