

LOUIS GILBERT & ASSOCIATES, INC.
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July 9, 2004

Honorable James H. Welsh
Commissioner of Conservation
P. O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804

RE: Substitute Unit Well Request
Lower Textularia L-4 Sand,
Reservoir A
Bayou Sauveur Field
Terrebonne Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Mustang Energy, LC ("Applicant") to the Commissioner of Conservation for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Lower Textularia L-4 Sand, Reservoir A, in the Bayou Sauveur Field, Terrebonne Parish, Louisiana.

1. To authorize Applicant to designate and utilize their Pellegrin-Price No. 2ST well (SN 213100) as a substitute unit well for L TEX L-4 RA SU A, at a location which is in exception to the well spacing provisions of Office of Conservation Order No. 940-L, effective November 4, 1992 and as shown on the attached plat.

2 To find that a substitute unit well for L TEX L-4 RA SU A is necessary to efficiently and economically drain a portion of the Lower Textularia L-4 Sand, Reservoir A, underlying L TEX L-4 RA SU A, which cannot be efficiently and economically drained by any existing well within said unit.

3. To designate Mustang Energy, LC as Unit Operator.

4. To consider such other matters as may be pertinent to this application.

The Lower Textularia L-4 Sand, Reservoir A, in the Bayou Sauveur Field, Terrebonne Parish, Louisiana, was fully defined in Order No. 940-L, effective November 4, 1992.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should call (504) 834-8112 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 Office of Conservation can be obtained at the expense of the requesting party.

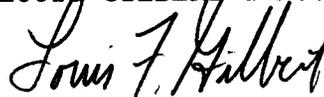
In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and proposed well location plat in a prominent place in the area of the Bayou Sauveur Field, Terrebonne Parish, Louisiana. Also, the legal notice will be PUBLISHED in a newspaper of general circulation in the vicinity of the Bayou Sauveur Field.

There is attached hereto and made a part hereof, a list of the names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A diligent effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners, and Represented Parties as required by the Revised Rules of Procedure.

There is attached hereto a check made payable to the Office of Conservation, representing the required hearing application fee on behalf of Mustang Energy, LC.

Very truly yours,

LOUIS GILBERT & ASSOCIATES, INC.

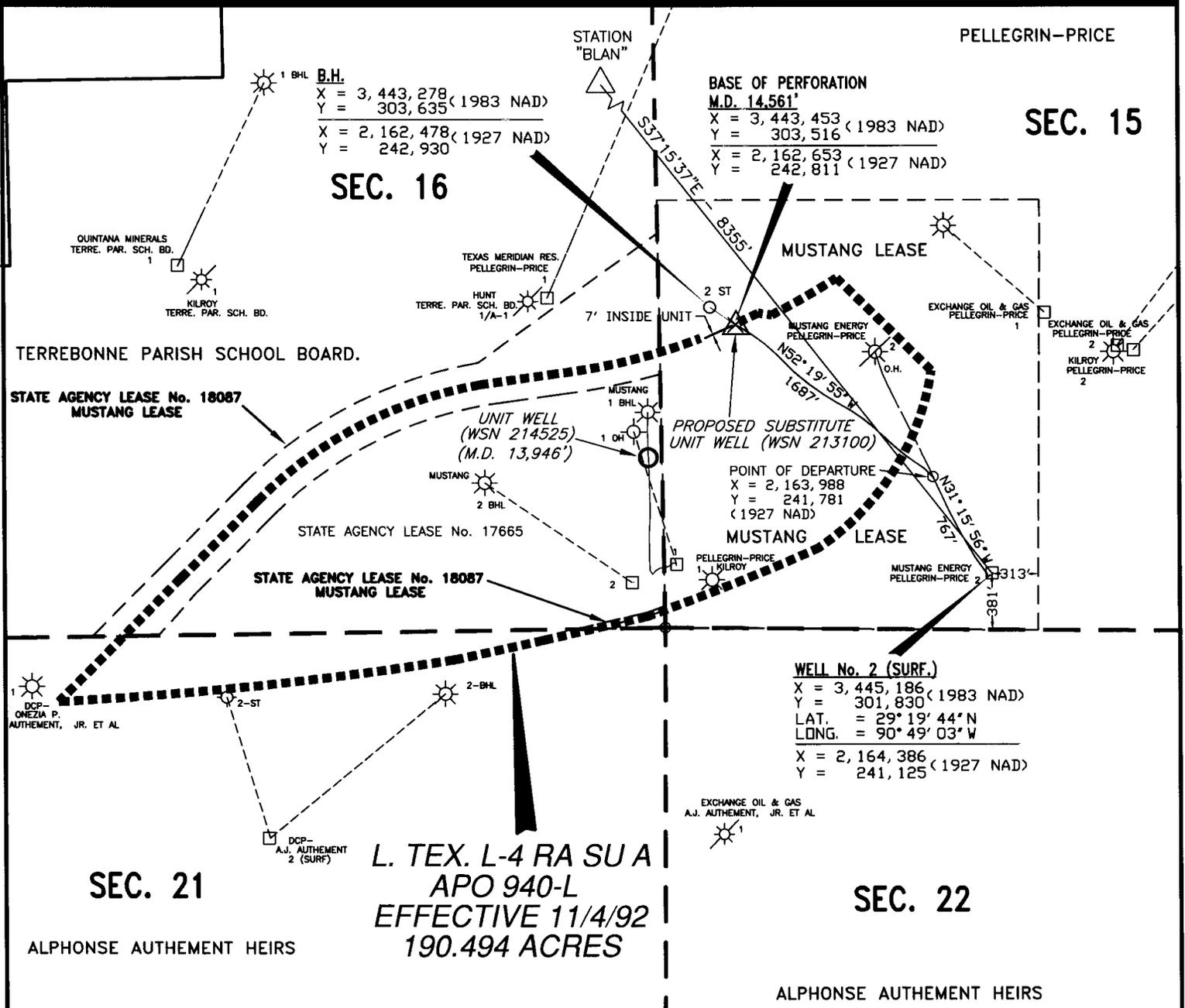


Louis F. Gilbert

cc: Mr. Richard Hudson, District Manger
Office of Conservation (w/attachments)

Mustang Energy, LC (w/attachments)

Interested Parties, Interested Owners
and Represented Parties (w/plat)



L. TEX. L-4 RA SU A
APO 940-L
EFFECTIVE 11/4/92
190.494 ACRES

FROM USC&GS STATION "BLAN" GO S37°15'37"E - 8355' TO THE PELLEGRIN-PRICE WELL NO. 2 (SURFACE LOCATION); THENCE N31°15'56"W - 767' TO THE POINT OF DEPARTURE; THENCE N52°19'55"W - 1687' TO THE BASE OF PERFORATION, M.D. 14,561'

PROPOSED SUBSTITUTE UNIT WELL
MUSTANG ENERGY LC
L. TEX. L-4 RA SU A

LOCATED IN
 SECTION 15, T20S - R16E
 BAYOU SAUVEUR FIELD
 TERREBONNE PARISH, LOUISIANA
 SCALE: 1" = 1000' JULY 2, 2004

NOTE: EXISTING PIPELINES ARE NOT SHOWN.

ALL COORDINATES AND BEARINGS ARE GRID, AND ARE ON THE LOUISIANA LAMBERT PLANE COORDINATE SYSTEM, SOUTH ZONE, 1983 NORTH AMERICAN DATUM.

NOTE: 1927 NAD COORDINATES ARE ALSO SHOWN.

○ UNIT WELL

△ PROPOSED SUBSTITUTE UNIT WELL

ERIC G. RYALS, INC.
 P.O. BOX 1258
 MANDEVILLE, LA 70470

