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August 20, 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

Discorbis 15 Sand, Reservoir A, BAYOU
POSTILLION FIELD, Iberia Parish, Louisiana.

Dear Sir:

SANDALWOOD EXPLORATION, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Discorbis 15 Sand, Reservoir A, in the Bayou Postillion Field, Iberia Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Discorbis 15 Sand, Reservoir A.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Discorbis 15 Sand, Reservoir A, such unit being designated DISC 15 RA SUA and being shown on the attached plat.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator of, and unit well for, the proposed unit as may be appropriate.
5. To provide that future wells drilled to the Discorbis 15 Sand outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
6. To provide that any future replacement and/or alternate unit well for DISC 15 RA SUA be exempt from the well location provisions of Statewide Order No. 29-E.

7. To provide that the Commissioner of Conservation may reclassify the Discorbis 15 Sand, Reservoir A, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

8. To define the Discorbis 15 Sand, Reservoir A, as the stratigraphic equivalent of the gas and condensate bearing interval encountered between the measured depths of 12,372' and 12,403' in the Graham Royalty, Ltd. (formerly Stone Oil Corp. et al.)--Cotten Land Corporation No. 1 Well (Serial No. 161499), located in Section 22, Township 12 South, Range 11 East, Iberia Parish, Louisiana.

9. To consider such other matters as may be pertinent.

Pertinent data concerning this application is available for inspection at the offices of Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70505. Any person wishing to inspect such data should call Mr. Bill McAlister at (337) 233-9839 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 July 8, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning those matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:30 o'clock a.m. on July 30, 2004, in Lafayette, Louisiana. Attached is a list of the names and addresses of these persons attending the conference.

On behalf of Applicant, the undersigned explained the purpose of the conference after which Mr. Bill McAlister presented 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. After Applicant's presentation there was a general question and answer period concerning the proposals of Applicant. Following Applicant's presentation, a counterplan was presented by Mr. Jim Hardwick on behalf of Fielding L. Cocke. The counterplan of Mr. Hardwick differed from Applicant's proposals with respect to the appropriate geological boundary on the south side of the proposed unit. Following presentation of the counterplan, there was another general question and answer period after which the conference was adjourned with no resolution of differences and with certain other parties indicating the possibility that they may file counterplans.

Following adjournment of the conference, efforts to resolve differences continued and a compromise was reached among the parties, which compromise is reflected by the revised unit shown on the attached unit plat. While it is believed that all differences have been resolved as a result of the compromise, Applicant will hold an additional conference to discuss the revised unit if requested by any Interested Owner or Represented Party.

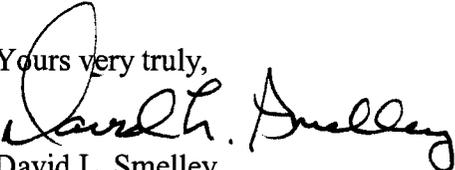
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Attached hereto is a unit plat outlining the proposed unit. The proposed unit reflected on the attached plat differs from that shown on the plat attached to the pre-application notice as a result of the compromise which has been reached among the parties. Also attached 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 Lafayette 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 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 Bayou Postillion 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,

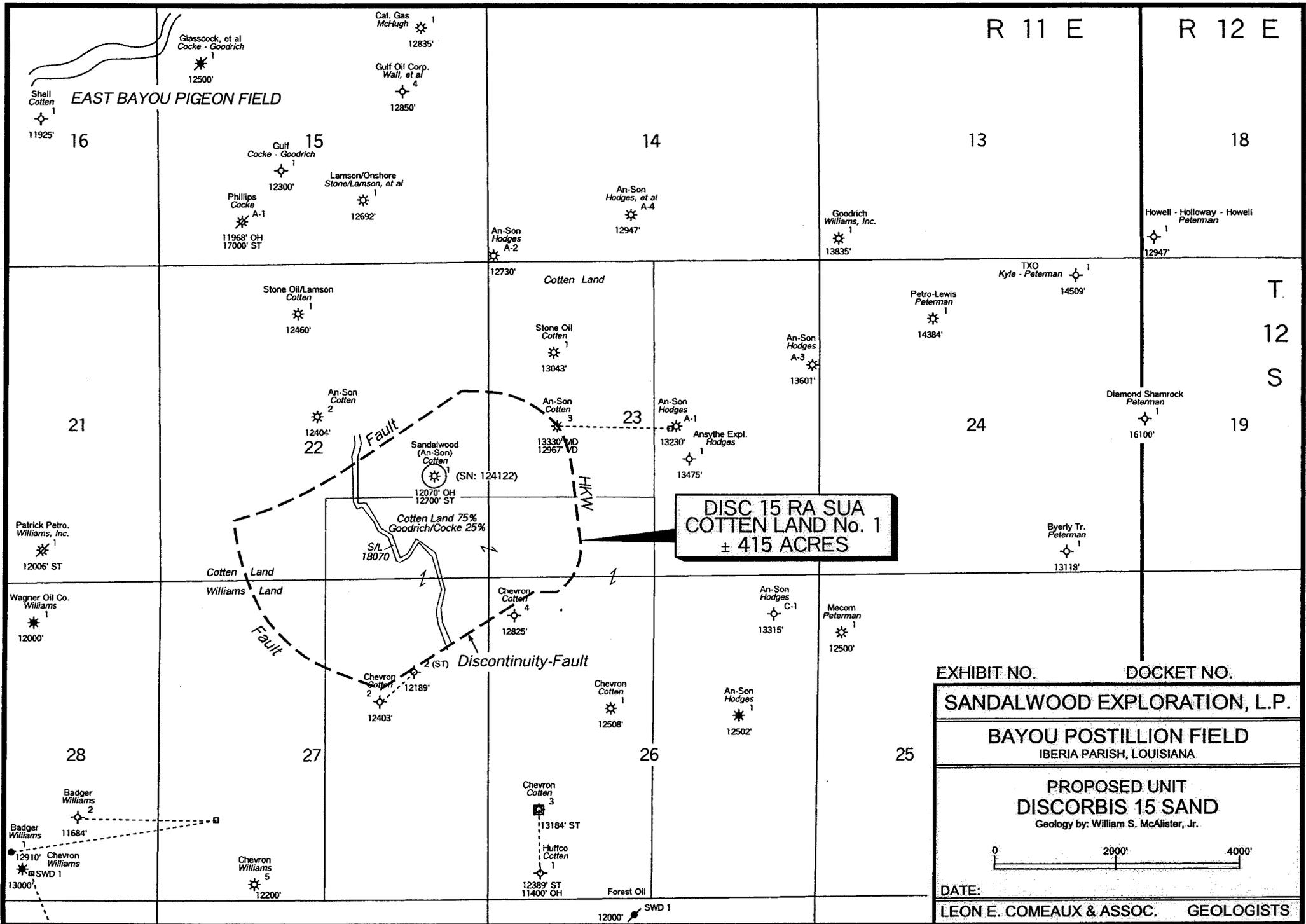


David L. Smelley

-- Attorney for Sandalwood Exploration, L.P.

DLS:dp
Enclosures

cc: Mr. Richard Hudson (w/encls.)
Mr. Bill McAlister (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)



R 11 E

R 12 E

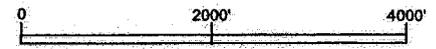
EAST BAYOU PIGEON FIELD

**DISC 15 RA SUA
COTTEN LAND No. 1
± 415 ACRES**

EXHIBIT NO. DOCKET NO.
SANDALWOOD EXPLORATION, L.P.

BAYOU POSTILLION FIELD
IBERIA PARISH, LOUISIANA

**PROPOSED UNIT
DISCORBIS 15 SAND**
Geology by: William S. McAllister, Jr.



DATE:
LEON E. COMEAUX & ASSOC. GEOLOGISTS