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October 11, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217
Email: tallen@bwor.com

Re: HEARING APPLICATION
Pettit Formation, Reservoir A
Pettit Zone, Reservoir B
Metcalf Field
Caddo Parish, Louisiana
Our File No. 410595.0020

Dear Sir:

On behalf of ST. MARY LAND & EXPLORATION COMPANY, 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 Pettit Formation, Reservoir A, and the Pettit Zone, Reservoir B, in the Metcalf Field, Caddo Parish, Louisiana:

1. To dissolve the drilling and production units designated as PET RA SUA thru PET RA SUD, as shown on the plat attached hereto, which were created by Office of Conservation Order No. 813-A, effective January 29, 1980, for the Pettit Formation, Reservoir A, in the Metcalf Field, Caddo Parish, Louisiana.
2. Simultaneously with dissolution of the abovesaid units, to establish rules and regulations and create two (2) drilling and production units (to be designated as PET RB SUA and PET RB SUB), as shown on the plat attached hereto, for the exploration for and production of gas and condensate from Pettit Zone, Reservoir B, in the Metcalf Field, Caddo Parish, Louisiana.
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 provide that special field spacing rules should be adopted for future horizontal wells drilled on the units created hereby which would provide: (a) that the penetration point and terminus of any lateral of any such horizontal well in the Pettit Zone, Reservoir B, should 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 aforesaid provisions.
5. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., should not apply to any horizontal wells drilled to the Pettit Zone, Reservoir B, but that all such wells should 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 consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Pettit Formation, Reservoir A, in the Metcalf Field, Caddo Parish, Louisiana is defined in Office of Conservation Order No. 813-A, effective January 29, 1980.

The Pettit Zone, Reservoir B, in the Metcalf Field, Caddo Parish, Louisiana is defined as that gas and condensate bearing interval between the depths (electric log measurements) of 5760 feet and 6260 feet in the Marshall Exploration, Inc. - Kelly No. 1 Well located in Section 4, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of St. Mary Land & Exploration Company, 330 Marshall Street, Suite 1200, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Kevin McMaster at (318)424-0804, during normal business hours or write Mr. McMaster at the above address, in order to arrange a date and time for such inspection. A copy of any 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 a 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 September 26, 2005, applicant advised the Commissioner

Commissioner of Conservation
October 11, 2005
Page 2

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 Pre-Application Conference, and accordingly, no such conference will be held.

A check in the amount of \$1,510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application 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
Attorneys for St. Mary Land & Exploration Company

WTAIII/kml
Enclosures

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

