BLANCHARD WALKER
A TRADITION OF EXCELLENCE SINCE 1917
BLANCHARD, WALKER, O'QUIN & ROBERTS
A PROFESSIONAL LAW CORPORATION

400 Texas Street, Suite 1400
Shreveport, LA 71101
Firm: 318.221.6858
Fax: 318.227.2967
Web: www.bwor.com

Mailing Address:
P.O. Drawer 1126
Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

April 11, 2005

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

RE: HEARING APPLICATION
Hico-Knowles Field
Lincoln Parish, Louisiana
Our File No. 410688.0003

Dear Sir:

On behalf of STROUD PETROLEUM, 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 "E" Zone of the Hosston Sand, Bodcaw Sand, Vaughn Sand, Hosston Zone, Reservoir C, and Cotton Valley Zone, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana:

1. To dissolve the drilling and production unit designated as HOSS E SUH, as shown on the plat attached hereto as Exhibit No. 1, which was created by Office of Conservation Order No. 137-G-4, effective September 1, 1962, for the "E" Zone of the Hosston Sand, in the Hico-Knowles Field, Lincoln Parish, Louisiana;

2. To dissolve the drilling and production units designated as BOD SU2 and BOD SU12, as shown on the plat attached hereto as Exhibit No. 2, which were created by Office of Conservation Order No. 137, effective August 5, 1947, for the Bodcaw Sand in the Hico-Knowles Field, Lincoln Parish, Louisiana;

3. To dissolve the drilling and production units designated as VGN SU2 and VGN SU13, as shown on the plat attached hereto as Exhibit No. 3 which were created by Office of Conservation Order No. 137, effective August 5, 1947, for the Vaughn Sand in the Hico-Knowles Field, Lincoln Parish, Louisiana;

4. Simultaneously with the dissolution of the abovesaid units, to establish rules and regulations and create two (2) drilling and production units (to be designated as HOSS RC SUA and HOSS RC SUB), as shown on the plat attached hereto as Exhibit No. 4, for the exploration for and production of gas and condensate from Hosston Zone, Reservoir C, in the Hico-Knowles Field, Lincoln Parish, Louisiana;

5. Simultaneously with the dissolution of the abovesaid units, to establish rules and regulations and create two (2) drilling and production units (to be designated as CV RB SUA and CV RB SUB), as shown on the plat attached hereto as Exhibit No. 5, for the exploration for and production of gas and condensate from Cotton Valley Zone, Reservoir B, in the Hico-Knowles Field, Lincoln Parish, Louisiana;

6. To downhole combine production of hydrocarbons from the Hosston Zone, Reservoir C, and the Cotton Valley Zone, Reservoir B, in the wellbore of any well drilled in the HOSS RC SUA and CV RB SUA and in HOSS RC SUB and CV RB SUB, respectively;

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

The "E" Zone of the Hosston Sand in the Hico-Knowles Field, Lincoln Parish, Louisiana, was fully defined in Office of Conservation Order No. 137-G, effective August 1, 1959.

The Bodcaw Sand and Vaughn Sand in the Hico-Knowles Field, Lincoln Parish, Louisiana were fully defined in Office of Conservation Order No. 137, effective August 5, 1947.

The Hosston Zone, Reservoir C, in the Hico-Knowles Field, Lincoln Parish, Louisiana is defined as the stratigraphic equivalent of that gas and condensate bearing interval between the depths (electric log measurements) of 5202 feet and 7810 feet in the Southwest Gas Production Company - J.H. Peterson No. 1 Well located in Section 25, Township 20 North, Range 4 West, Lincoln Parish, Louisiana.

The Cotton Valley Zone, Reservoir B is defined as the stratigraphic equivalent of that gas and condensate bearing interval between the depths (electric log measurements) between 7810 feet and 10,280 feet in the Southwest Gas Production Company - J.H. Peterson No. 1 Well, located in Section 25, Township 20 North, Range 4 West, Lincoln Parish, Louisiana.

Pertinent data regarding this application will be available for inspection at the offices of Stroud Petroleum, Inc., 416 Travis Street, Suite 609, Shreveport, LA 71101. Any person wishing to inspect such data should call Mr. Ted Scurlock at (318) 425-0101, during normal business hours, or write Mr. Scurlock 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 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.

A Pre-Application Conference was held at the offices of Blanchard, Walker, O'Quin & Roberts, 15th Floor Conference Room, Bank One Tower, 400 Texas Street, Shreveport, Louisiana, on March 17, at 10:00 a.m. In addition to the Applicant's representatives, said conference was attended by the parties shown on the attached attendance list. Following a presentation by Applicant's representatives as to the geological and other bases for its proposal, a general discussion ensued. Nadel & Gussman - Jetta Operating Company pointed out an error in the proposed definitions of the Hosston Zone, Reservoir C and the Cotton Valley Zone, Reservoir B, and objected to the inclusion of the NW/4 of Section 20, Township 20 North, Range 3 West, in the proposed CV RB SUB and HOSS RC SUB. The Applicant agreed to correct such definitions as noted above and as a compromise agreed to amend said proposed units to exclude the NW/4 of Section 20, with the revised units to include only the E/2 of said Section 20. Revised unit plats are attached hereto. It is anticipated that the hearing regarding the captioned matter will be uncontested.

A check in the amount of $3,775.00 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. Broussand, Shreveport District Manager of the Office of Conservation, to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list and to the Pre-Application Conference Attendees.

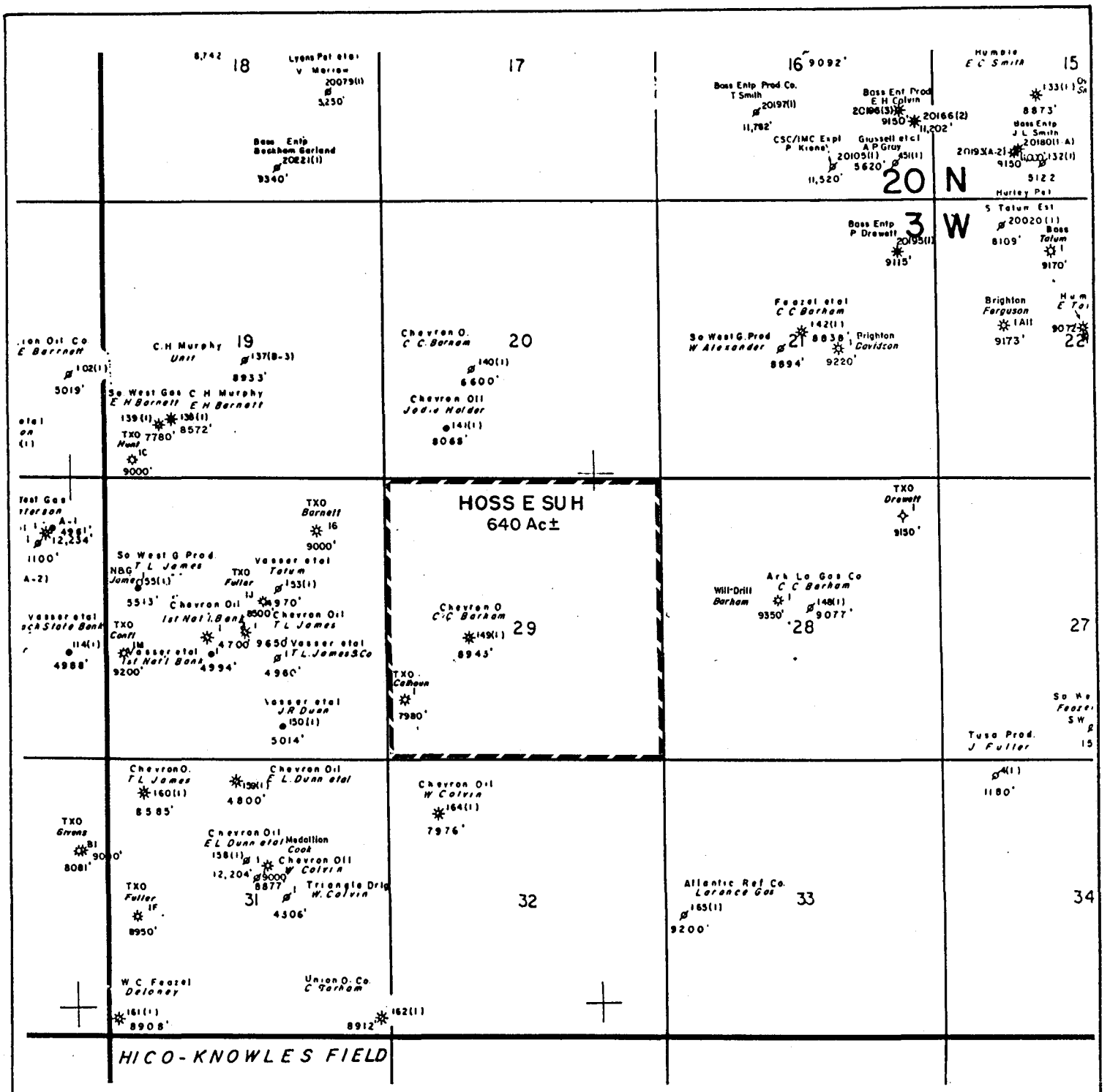
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: Wm Timothy Allen III

Wm. Timothy Allen III
Attorneys for Stroud Petroleum, Inc.

WTAIII:bp
Enclosures
cc: Mr. James C. Broussard
Office of Conservation, Shreveport District Manager, La. (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plats)
cc: Pre-Application Conference Attendees



HOSS E SU H TO BE DISSOLVED

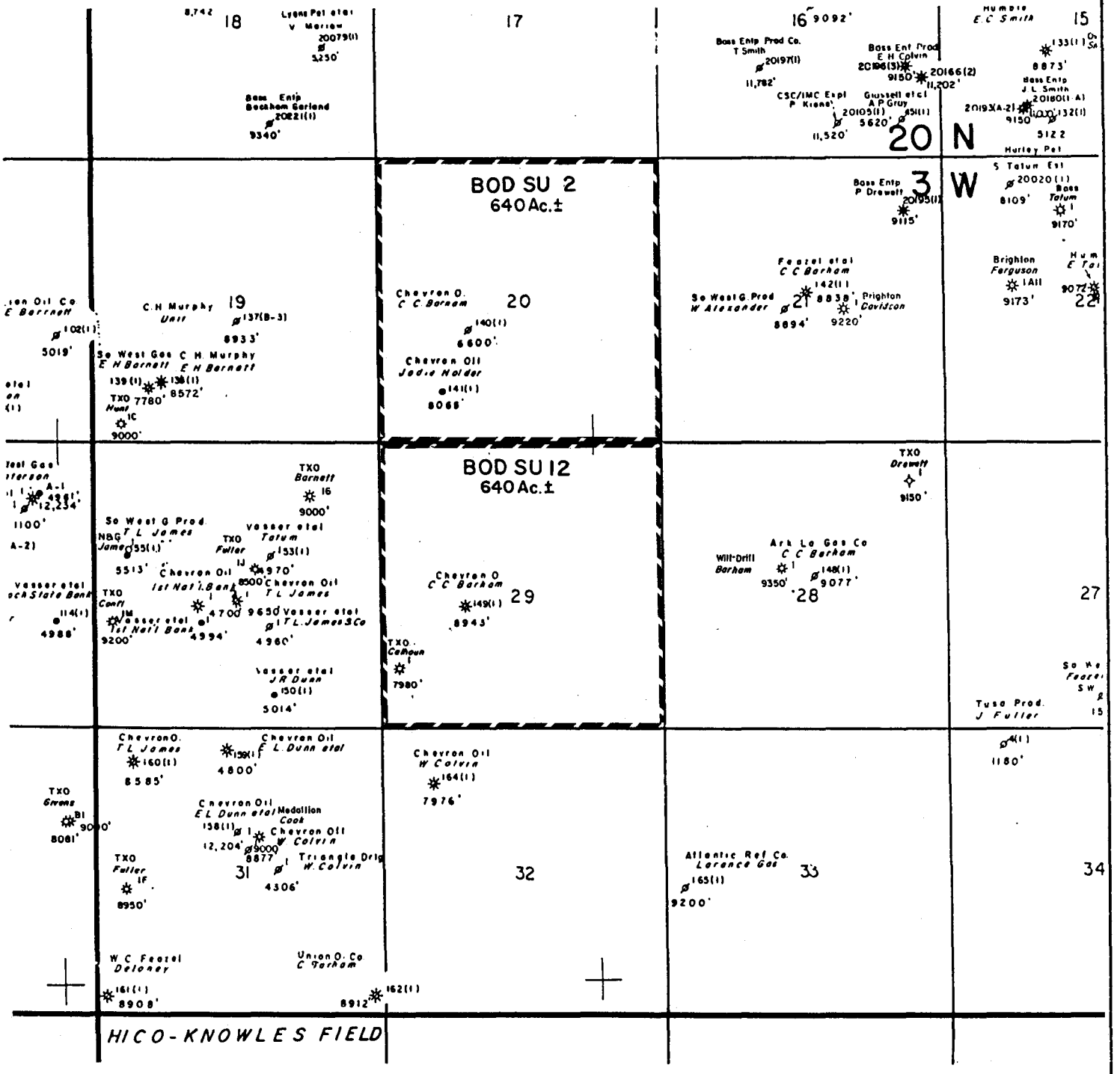
DOCKET Nº EXHIBIT Nº 1

STROUD PETROLEUM, INC.

HOSS E SU H
TO BE DISSOLVED

HICO-KNOWLES FIELD
LINCOLN PARISH, LA.

0' 2000' 4000' 1 Mi.



DOCKET Nº

EXHIBIT Nº 2

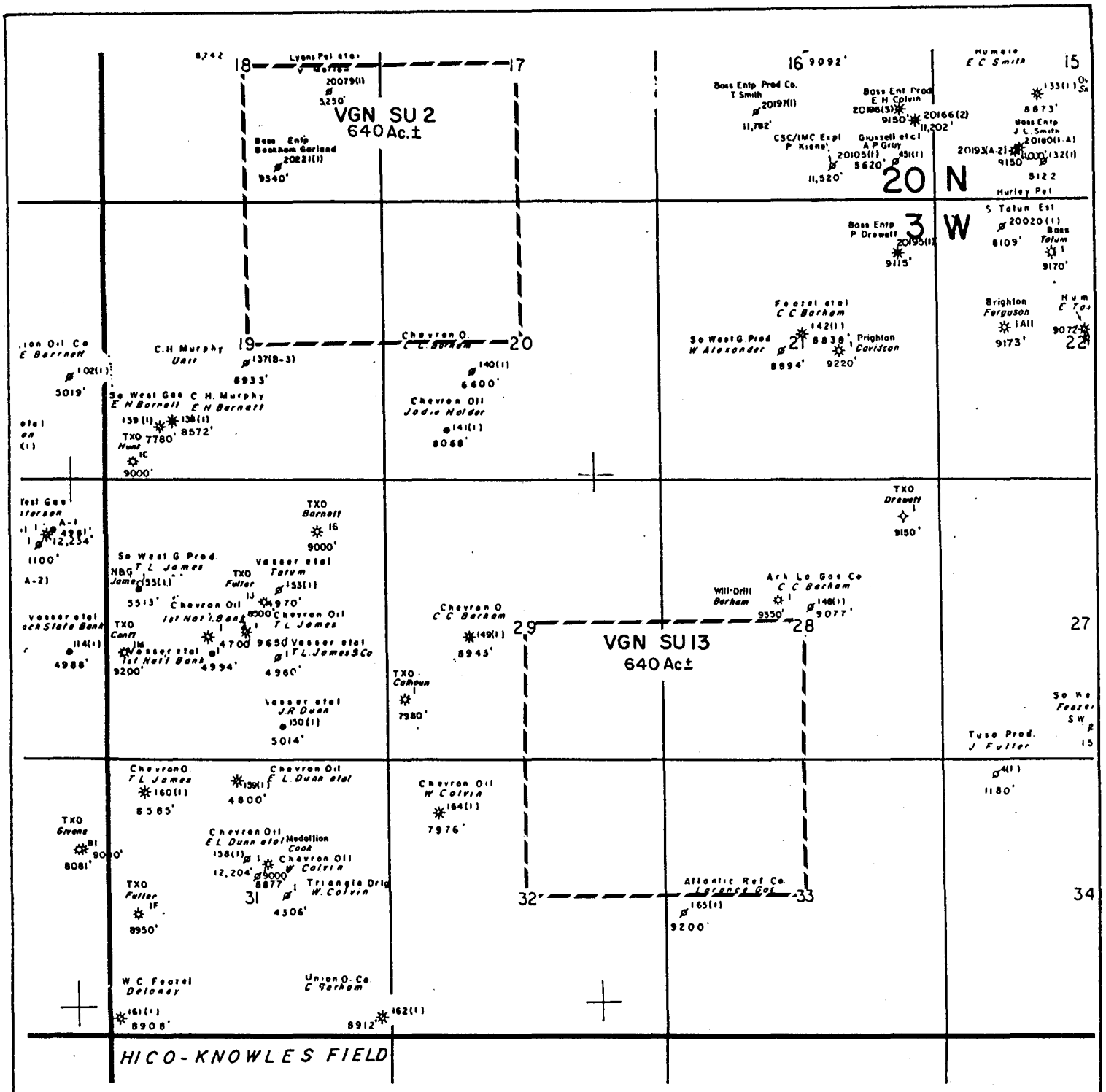
BOD SU 2 AND 12 TO BE DISSOLVED

STROUD PETROLEUM, INC.

BOD SU 2 AND 12
TO BE DISSOLVED

HICO-KNOWLES FIELD
LINCOLN PARISH, LA.

0' 2000' 4000' 1 Mi.



VAUGHN UNITS 2 AND 13 TO BE DISSOLVED

DOCKET Nº

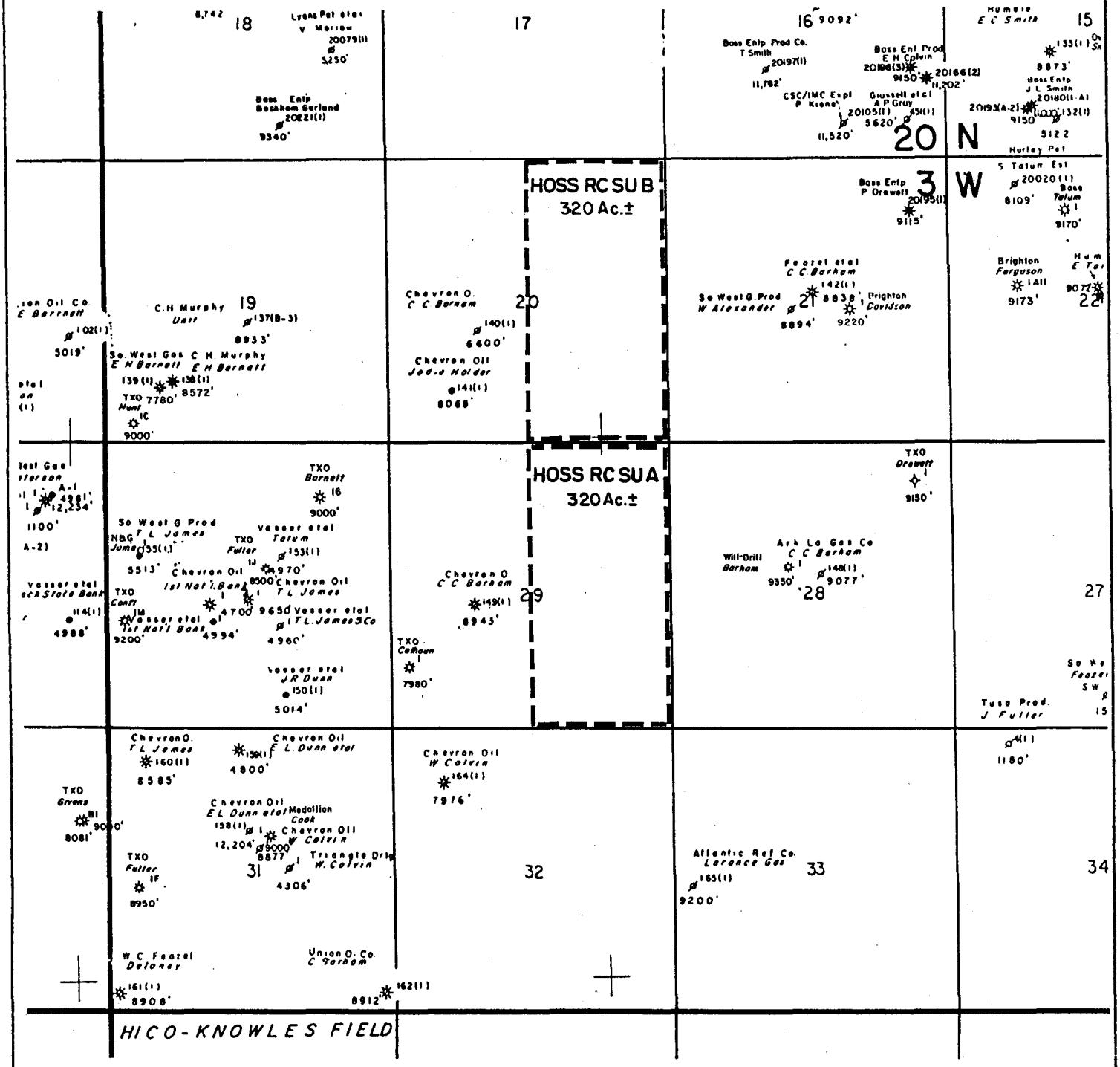
EXHIBIT Nº 3

STROUD PETROLEUM, INC.

VAUGHN SU 2 AND 13
TO BE DISSOLVED

HICO-KNOWLES FIELD
LINCOLN PARISH, LA.

0' 2000' 4000' 1Mi.



PROPOSED HOSS RC SU A AND B

DOCKET Nº

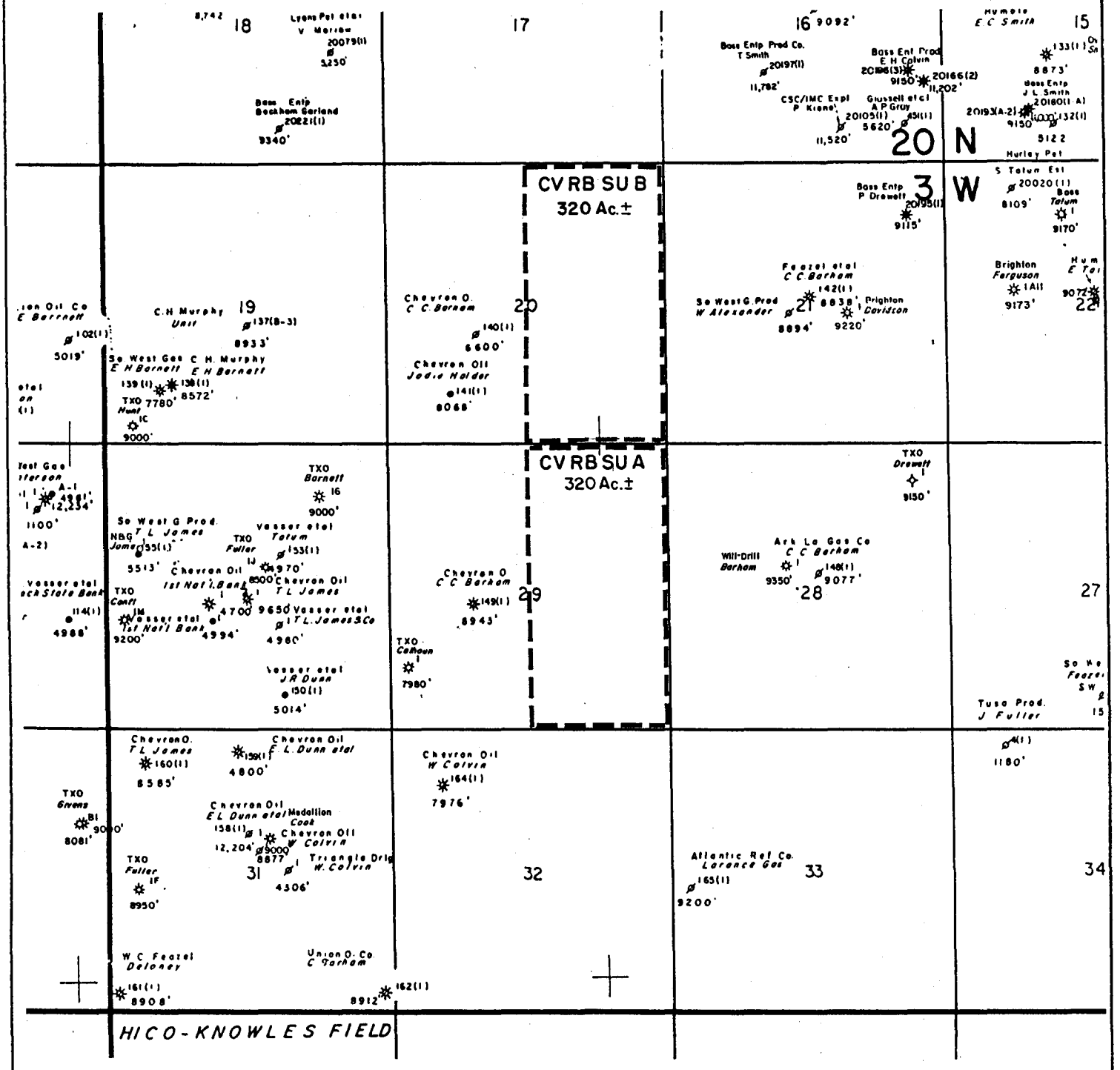
EXHIBIT Nº 4

STROUD PETROLEUM, INC.

PROPOSED HOSS RC SU A AND B

HICO-KNOWLES FIELD
LINCOLN PARISH, LA.

0' 2000' 4000' 1Mi.



PROPOSED CV RB SU A AND B

DOCKET Nº EXHIBIT Nº 5

STROUD PETROLEUM, INC.

PROPOSED CV RB SU A AND B

HICO-KNOWLES FIELD
LINCOLN PARISH, LA.

0' 2000' 4000' 1Mi.