

December 13, 2004

Ref: 4199-23228

Honorable James H. Welsh  
Commissioner of Conservation  
Post Office Box 94275  
Baton Rouge, LA 70804-4275

Re: Hearing Application  
Marg I Zone, Reservoir A  
SOUTH ARNAUDVILLE FIELD  
St. Martin Parish, Louisiana  
Applicant: Caddo Management, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Caddo Management, Inc.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg I Zone, Reservoir A, South Arnaudville Field, St. Martin Parish, Louisiana.

1. To create a single drilling and production unit of approximately 303 acres for the Marg I Zone, Reservoir A, designated as the Marg I RA SUA, South Arnaudville Field, St. Martin Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of gas and condensate from the said unit;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To designate a unit operator and a unit well for the proposed unit;
5. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

GAMD-laf:28011-1

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The Marg I Zone, Reservoir A in the South Arnaudville Field, St. Martin Parish, Louisiana is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 8,486 feet and 9,890 feet (electrical log measurements) in the Lyons Petroleum-Dr. Sidney Frederick No. 1 Well, located in Section 38, Township 8 South, Range 5 East, St. Martin Parish, Louisiana.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the pre-application notice dated November 30, 2004 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Wednesday, December 22, 2004. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. No requests to confer were received either in writing or by telephone and, in accordance with the Rules of Procedure, the tentatively scheduled conference **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat outlining the Marg I Zone, Reservoir A, St. Martin Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

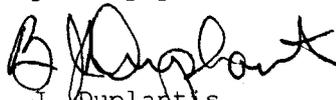
A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this hearing application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Robbins of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, Louisiana 70005 (337) 232-5004.

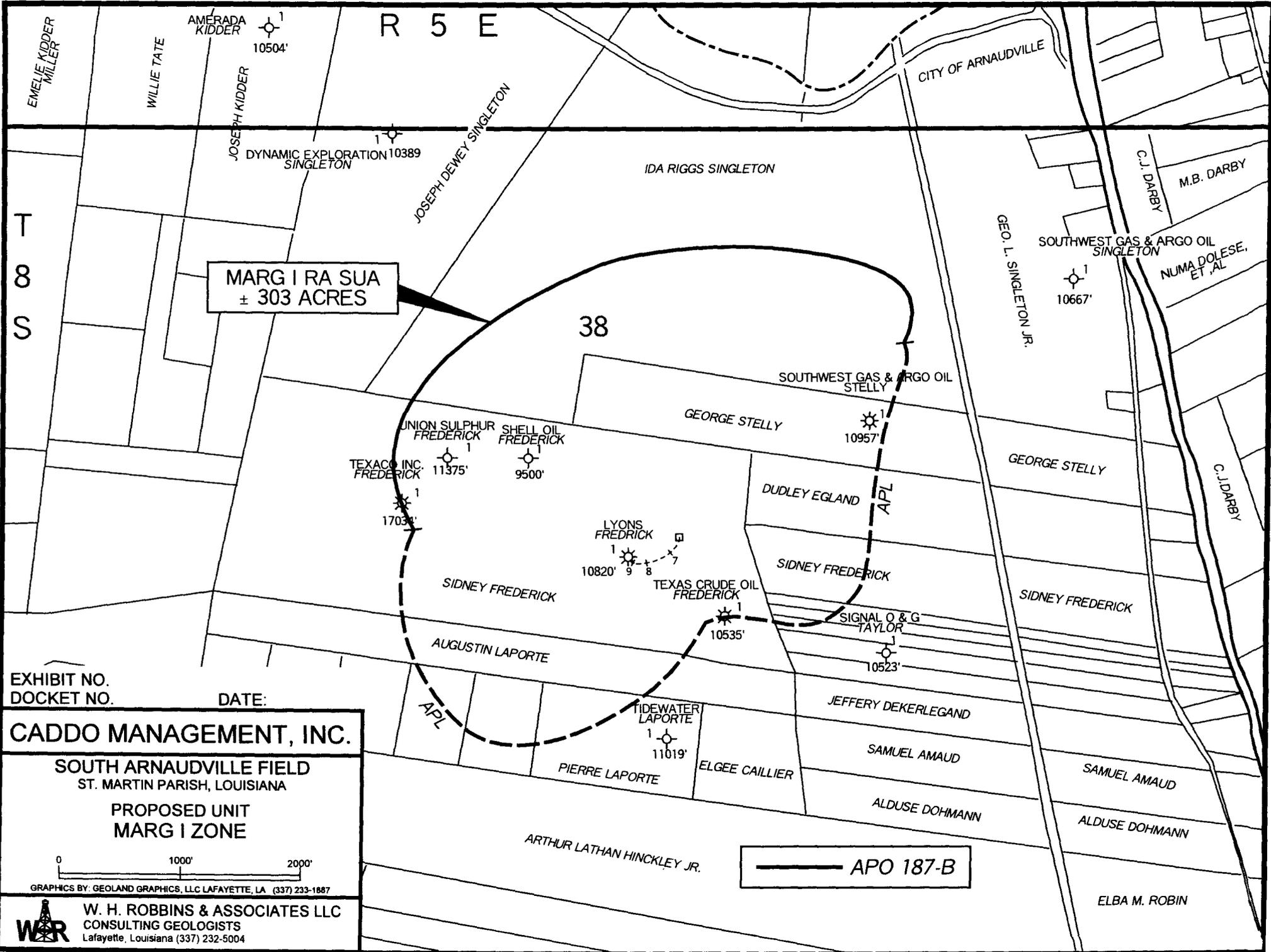
Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

  
B. J. Duplantis

BJD/ht  
Attachments  
cc: Mr. Richard Hudson  
District Manager  
Office of Conservation

All Interested Owners, Represented Parties and  
Interested Parties



**MARG I RA SUA  
± 303 ACRES**

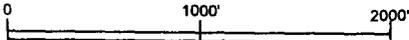
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EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. \_\_\_\_\_ DATE: \_\_\_\_\_

**CADDO MANAGEMENT, INC.**

**SOUTH ARNAUDVILLE FIELD  
ST. MARTIN PARISH, LOUISIANA**

**PROPOSED UNIT  
MARG I ZONE**



GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887



**W. H. ROBBINS & ASSOCIATES LLC**  
CONSULTING GEOLOGISTS  
Lafayette, Louisiana (337) 232-5004

**— APO 187-B**