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December 13, 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

Planulina Zone, Reservoir B, NORTH CREOLE  
FIELD, Cameron 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 Planulina Zone, Reservoir B, in the North Creole Field, Cameron Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Planulina Zone, Reservoir B.
2. To create a single drilling and production unit for the exploration for and production of gas and condensate from the Planulina Zone, Reservoir B, such unit being designated PLAN RB 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 Planulina Zone within or outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
6. To provide that the Commissioner of Conservation may reclassify the Planulina Zone, Reservoir B, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

7. To define the Planulina Zone, Reservoir B, as the stratigraphic equivalent of the gas and condensate bearing interval encountered between the measured depths of 10,540' and 11,544' (10,360' and 11,316' TVD) in the Hilliard Petroleum, Inc.--George C. Quinn No. 2 Well, located in Section 30, Township 14 South, Range 8 West, Cameron Parish, Louisiana.

8. 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. David Comeaux 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 November 19, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on December 10, 2004, in Lafayette, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained by the undersigned, following which Mr. David Comeaux presented the geological, engineering and other 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. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. No opposition was expressed to the proposals of Applicant. Thereafter, the conference was adjourned.

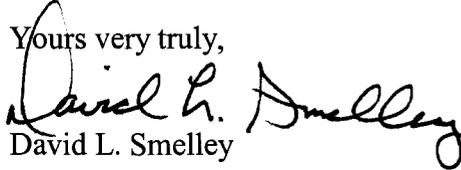
Attached hereto is a plat outlining the one (1) drilling and production unit which Applicant proposes to create (which plat is identical to that attached to the pre-application notice except for the addition of a tentative location for the unit well). Also attached hereto is a list of the names and addresses 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 North Creole Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested

Honorable James H. Welsh  
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Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

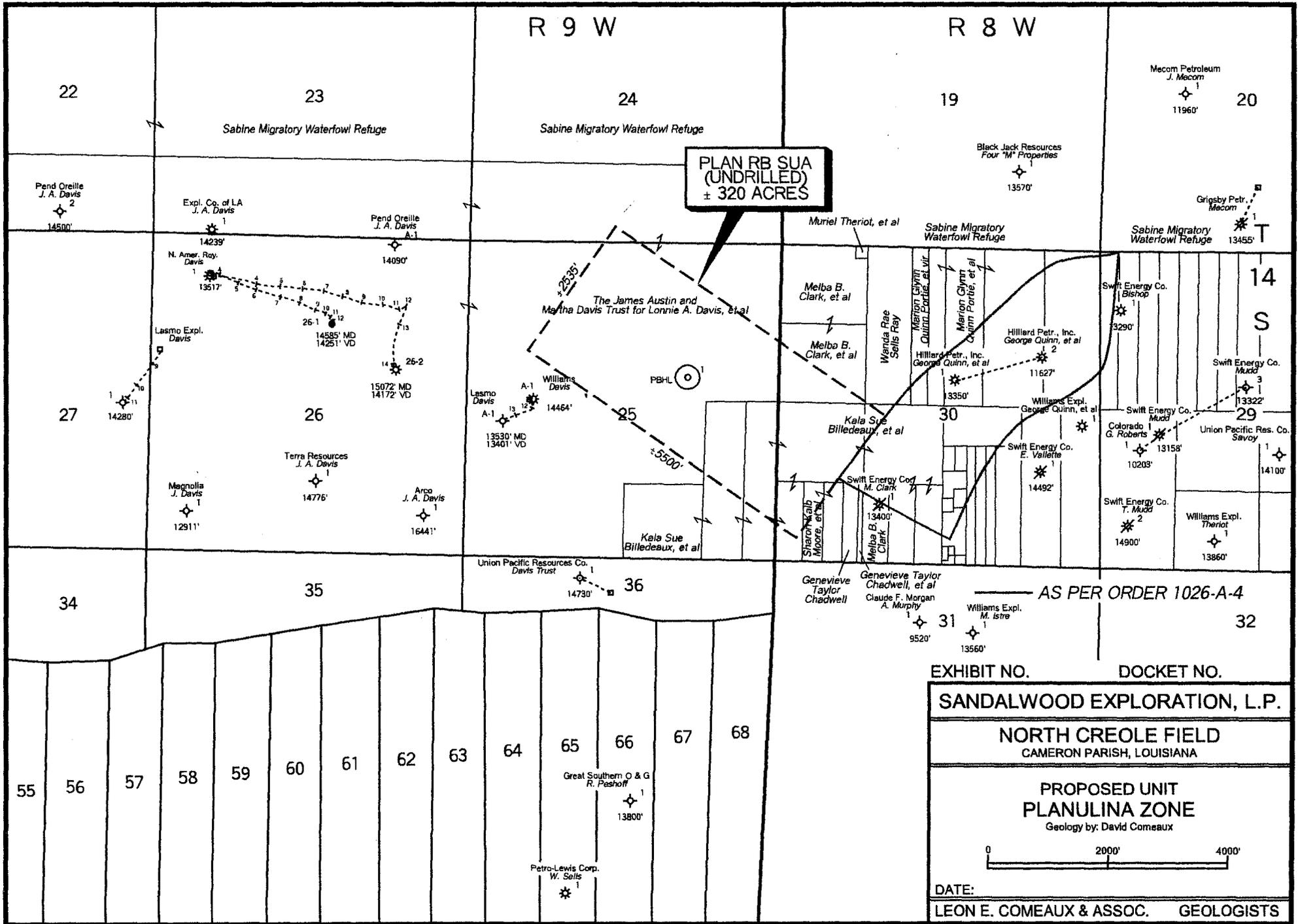
Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,  
  
David L. Smelley

-- Attorney for Sandalwood Exploration, L.P.

DLS:dp  
Enclosures

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



R 9 W

R 8 W

22

23

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19

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Sabine Migratory Waterfowl Refuge

Sabine Migratory Waterfowl Refuge

Mecom Petroleum  
J. Mecom  
11960'

Black Jack Resources  
Four "M" Properties  
13570'

**PLAN RB SUA (UNDRILLED) ± 320 ACRES**

Grisby Petr.  
Mecom  
13455'

Pend Oreille  
J. A. Davis  
14500'

Expl. Co. of LA  
J. A. Davis  
14239'

Pend Oreille  
J. A. Davis  
14090'

Muriel Theriot, et al

Sabine Migratory Waterfowl Refuge

Sabine Migratory Waterfowl Refuge

N. Amer. Roy.  
Davis  
13517'

14585' MD  
14251' VD

The James Austin and  
Martha Davis Trust for Lonnie A. Davis, et al

Melba B. Clark, et al

Sabine Migratory Waterfowl Refuge

Swift Energy Co.  
Bishop  
13290'

Lasmo Expl.  
Davis  
14280'

15072' MD  
14172' VD

Lasmo Davis  
A-1  
13530' MD  
13401' VD

Williams Davis  
A-1  
14464'

Melba B. Clark, et al

Hilliard Petr., Inc.  
George Quinn, et al  
11627'

Swift Energy Co.  
Mudd  
13322'

27

26

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Terra Resources  
J. A. Davis  
14776'

Magnolia  
J. Davis  
12911'

Arco  
J. A. Davis  
16441'

Kala Sue Billedeaux, et al

Hilliard Petr., Inc.  
George Quinn, et al  
13350'

Swift Energy Co.  
Mudd  
13158'

Union Pacific Res. Co.  
Savoy  
14100'

Kala Sue Billedeaux, et al

Sharon Kalb Moore, et al

Swift Energy Co.  
M. Clark  
13400'

Swift Energy Co.  
E. Vallette  
14492'

Swift Energy Co.  
T. Mudd  
14900'

Williams Expl.  
Theriot  
13860'

34

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Union Pacific Resources Co.  
Davis Trust  
14730'

Genevieve Taylor Chadwell, et al  
Claude F. Morgan A. Murphy  
9520'

Williams Expl.  
M. Istre  
13560'

AS PER ORDER 1026-A-4

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Great Southern O & G  
R. Peshoff  
13800'

Petro-Lewis Corp.  
W. Sells  
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