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September 27, 2006

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

RE: Application Notice
Upper Wilcox Zone,
Reservoir C
Port Hudson Field
East Baton Rouge Parish, Louisiana

Dear Sir:

Flash Gas & Oil Southwest, Inc. ("Applicant") hereby makes application to the Commissioner of Conservation 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 the Upper Wilcox Zone, Reservoir C, in the Port Hudson Field, East Baton Rouge Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas.
2. To create two drilling and production units for the exploration for and production of oil and gas.
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 any future wells drilled to the Upper Wilcox Zone, Reservoir C, shall be located in compliance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
6. To consider such other matters as may be pertinent.

The Upper Wilcox Zone, Reservoir C, in the Port Hudson Field, is hereby as that oil and gas bearing zone encountered between the depths of 9,793 feet and 10,178 feet (electrical log measurements) in the J.P. Van Way-Ann Fitz No. 2 Well, located in Section 65, Township 5 South, Range 1 West, East Baton Rouge Parish, Louisiana.

A timely request for the conference tentatively scheduled in the pre-application notice dated September 15, 2006 was not received and therefore the conference **will not** be held.

All pertinent data relating to the subject application is available for inspection at the Offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should contact the undersigned at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

The Applicant will provide for posting a copy of the Legal Notice of this hearing and a copy of the enclosed plats at a prominent place in the area affected by this application and will cause the publication of the Legal Notice in a newspaper published in the general area of the Port Hudson Field. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties all in accordance with the Revised Rules of Procedure.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of Parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

Very truly yours,
LOUIS GILBERT & ASSOCIATES, INC.

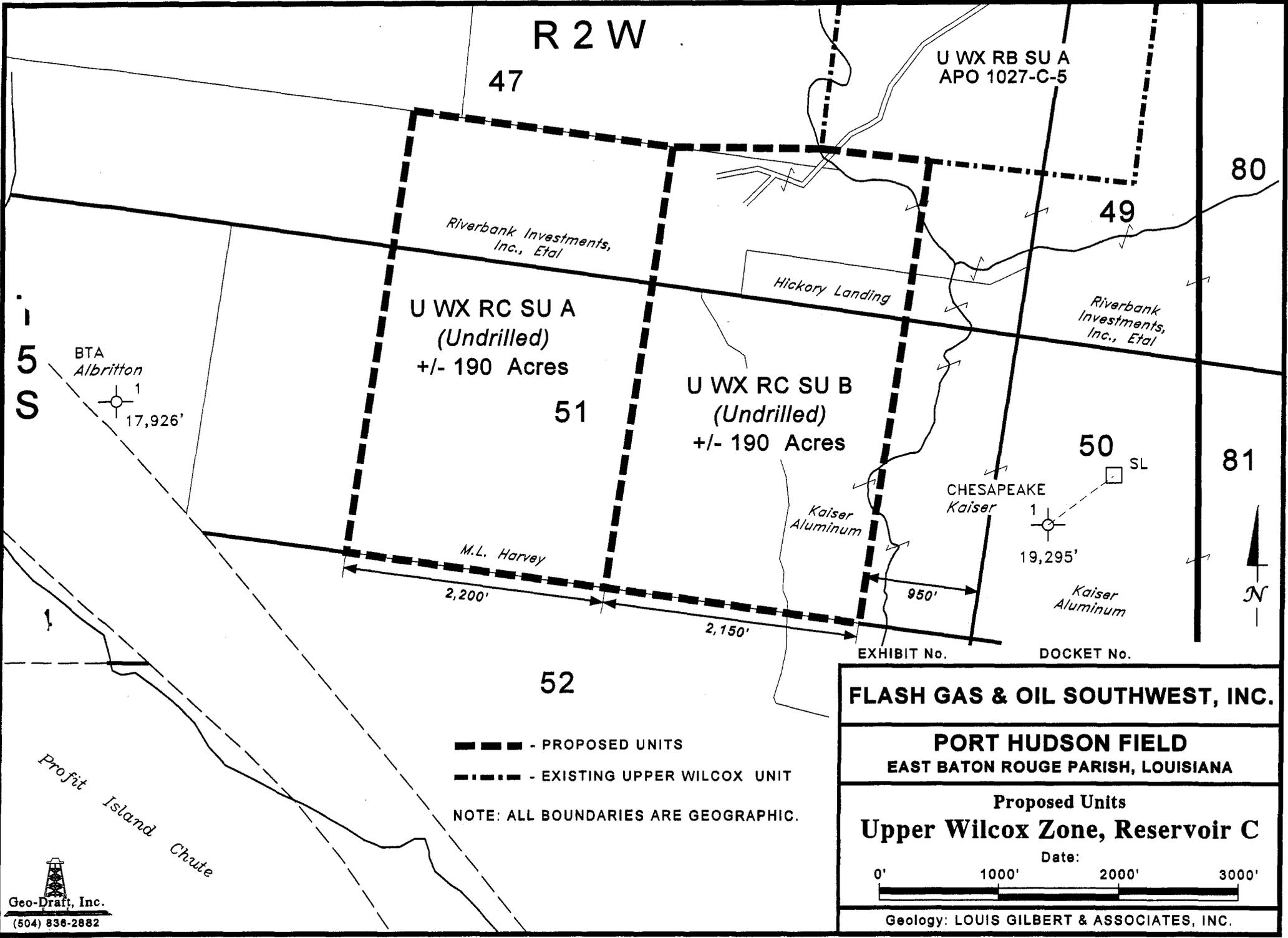


Louis F. Gilbert

cc: Mr. Richard Hudson (w/enclosures)
Office of Conservation

Mr. Fred Litchliter (w/enclosures)
Flash Gas & Oil Southwest, Inc.

Interested Parties, Interested Owners
and Represented Parties (w/plat)



- - - - - PROPOSED UNITS
 - - EXISTING UPPER WILCOX UNIT
 NOTE: ALL BOUNDARIES ARE GEOGRAPHIC.

FLASH GAS & OIL SOUTHWEST, INC.

PORT HUDSON FIELD
EAST BATON ROUGE PARISH, LOUISIANA

Proposed Units
Upper Wilcox Zone, Reservoir C

Date: _____

0' 1000' 2000' 3000'

Geology: LOUIS GILBERT & ASSOCIATES, INC.