

March 29, 2006

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Proposed Substitute Unit Well
Proposed Alternate Unit Well
Planulina I Zone, Reservoir B
KINGS BAYOU FIELD
Cameron Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilcorp Energy Company for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Planulina I Zone, Reservoir B, located in the Kings Bayou Field, Cameron Parish, Louisiana, for which a unit was established and rules and regulations adopted by Office of Conservation Order No. 638-HH-1, effective February 10, 2004.

1. To designate the Hilcorp Energy Company - Theriot No. 1 Well (SN 219459) located in Section 27, Township 14 South, Range 7 West, in the Kings Bayou Field, Cameron Parish, Louisiana, as a substitute unit well for the PLAN I RB SUA.

2. To designate the Pioneer Exploration, LTD. - Theriot No. 1 Well (SN 218433) located in Section 27, Township 14 South, Range 7 West, in the Kings Bayou Field, Cameron Parish, Louisiana, as an alternate unit well for the PLAN I RB SUA.

3. To designate Hilcorp Energy Company as the unit operator for the PLAN I RB SUA. The currently designated unit operator is Pioneer Exploration, LTD., Successor to Transworld Exploration & Production, Inc.

4. To permit the operator to produce the unit allowable from the proposed substitute unit well, the proposed alternate unit well, or from both wells, at its option.

5. To continue in full force and effect the provisions of Office of Conservation Order No. 638-HH-1 and the existing unit created thereby, except as herein specified.

6. To consider such other matters as may be pertinent to this application.

The present unit well, the Pioneer Exploration, LTD. - Theriot No. 1 Well (SN 218433), is completed and producing from a deeper sand and, therefore, not currently available to serve as a completion in the PLAN I RB SUA. The Hilcorp Energy Company - Theriot No. 1 Well (SN 219459) is currently available for a completion in the PLAN I RB SUA and will recover hydrocarbons within the existing unit. The designation of a substitute unit well and an alternate unit well is therefore necessary and in the interest of conservation to efficiently and economically drain a portion of the PLAN I RB SUA which cannot be efficiently and economically drained by any existing well within such unit.

The Planulina I Zone, Reservoir B, in the Kings Bayou Field, Cameron Parish, Louisiana, was fully defined in Office of Conservation Order No. 638-HH-1, effective February 10, 2004.

There is attached hereto and made a part hereof a plat identifying the subject unit created by Conservation Order No. 638-HH-1, along with the location of the proposed substitute unit well and the location of the proposed alternate unit well. Pursuant to the Revised Rules of Procedure, a list of names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom this application is being sent is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure.

Finally there is enclosed our check on behalf of the applicant, Hilcorp Energy Company, in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister, Jr.

BMJr/cu
Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 200
Lafayette, Louisiana 70508-4284

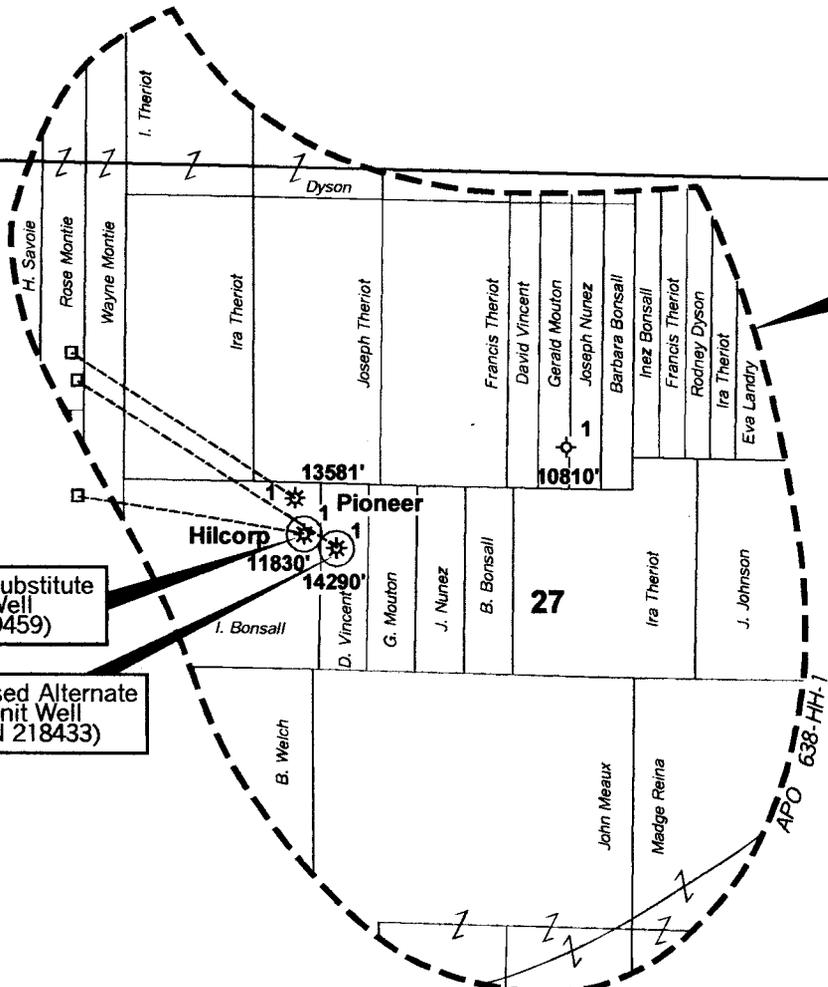
Interested Parties, Interested
Owners and Represented Parties

R 7 W

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PLAN I RB SUA
± 308 ACRES

28

Proposed Substitute
Unit Well
(SN 219459)

Proposed Alternate
Unit Well
(SN 218433)

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EXHIBIT NO. _____ DOCKET NO. _____

HILCORP ENERGY COMPANY

KINGS BAYOU FIELD
CAMERON PARISH, LOUISIANA

**PROPOSED SUBSTITUTE &
ALTERNATE UNIT WELLS**
PLANULINA I ZONE
Geology by: William S. McAlister, Jr.

0 1000' 2000'

DATE: _____

LEON E. COMEAUX & ASSOC. GEOLOGISTS