

April 7, 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: Hackberry Zone, Reservoir E  
**SOUTH MANCHESTER FIELD**  
Calcasieu Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of SG Interests, Inc. 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 to the Hackberry Zone, Reservoir E, in the South Manchester Field, Calcasieu Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Hackberry Zone, Reservoir E, in the South Manchester Field, Calcasieu Parish, Louisiana.
2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that any well drilled outside of the Hackberry Zone, Reservoir E, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Hackberry Zone, in the South Manchester Field, Calcasieu Parish, Louisiana, was fully defined in Office of Conservation Order No. 768-H, effective August 17, 2004.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the South Manchester Field, Calcasieu Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the South Manchester Field, Calcasieu Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from David Comeaux at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505, (337-233-9839).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on April 7, 2006, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. David Comeaux, representing SG Interests, Inc., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Mr. Bryan Groves, representing the Christman Family, presented a counter plan which differs from the applicant's in the placement of the eastern boundary. Differences between the parties have not been resolved and we, therefore, expect this matter to be contested.

There are attached hereto and made a part hereof a plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (**being the same plat attached to the March 17, 2006 preapplication notice**) are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

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

Sincerely,

LEON E. COMEAUX & ASSOCIATES



David Comeaux

DC/cu  
Enclosures  
cc: Mr. Richard Hudson  
Office of Conservation  
825 Kaliste Saloom Road  
Brandywine III, Suite 220  
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners  
and Represented Parties

R 8 W

Cotton Bros. Co.

R 7 W

Harvey H. Hay

Harvey H. Hay

13

R. Gene Cotton

Harvey H. Hay

7

Martin Lebleu

8

Pan American Petroleum Corp.

Martin Lebleu

**HBY RE SUA (UNDRILLED)**  
± 230 Acres

BP America Production Company

Farmers Land & Canal Co., Inc.

18

17

T

BP America Production Company

10

24

Robert Ernest Christman, et al

S

Hayes Minerals, LLC, et al

Keith Wayne Murray

BP America Production Company

Farmers Land & Canal

Louisiana Generating LLC

10410'

Russell James Guillory, et ux

Mayne & Mertz, Inc. Hayes Min.

12419'

Sugarberry Oil & Gas Corp., et al

Hayes Minerals, LLC, et al

EXHIBIT NO.

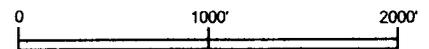
DOCKET NO.

**SG INTERESTS, INC.**

**SOUTH MANCHESTER FIELD**  
CALCASIEU PARISH, LOUISIANA

**PROPOSED UNIT HACKBERRY ZONE**

Geology by: David Comeaux



DATE:

LEON E. COMEAUX & ASSOC. GEOLOGISTS

BP America Production Company

APO 768-H

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC

19

25