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Richard W. Revels, Jr.
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July 12, 2006

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

Re: Upper Krumbhaar Sand, Reservoir D
Humphreys Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **APACHE CORPORATION** 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 Upper Krumbhaar Sand, Reservoir D, in the Humphreys Field, Terrebonne Parish, Louisiana:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Upper Krumbhaar Sand, Reservoir D, in the Humphreys Field, Terrebonne Parish, Louisiana, said unit to be designated U KBR RD SUA, as shown on the plat attached hereto and made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Apache Corporation as unit operator and its Kleinschmidt No. 1 Well as unit well for the proposed U KBR RD SUA.
4. To provide that any future wells drilled to the proposed unit should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
5. To provide that the Commissioner of Conservation should be authorized to reclassify the above referenced reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

6. To consider such others matters as may be pertinent.

The Upper Krumbhaar Sand, Reservoir D, in the Humphreys Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 11,326 feet and 11,387 feet (electric log measurements) in the Apache Corporation (formerly Quintana Petroleum Corp.) – Kleinschmidt No. 1 Well, located in Section 5, Township 17 South, Range 15 East, Terrebonne Parish, Louisiana.

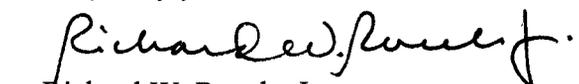
Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Mr. Bill Dale of W. H. Robbins & Associates, LLC., 302 La Rue France, Lafayette, Louisiana 70508, Telephone Number (337) 232-5004.

Pursuant to the Rules of Procedure, pre-application notice was given; however, no request for the conference was received. Therefore, the conference tentatively scheduled for July 19, 2006, **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat along with the list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, such plat (being the same plat attached to the pre-application notice dated June 28, 2006) and list of parties are being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the plat and/or list of parties will be furnished 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, enclosed is our check in the amount of \$755.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,


Richard W. Revels, Jr.

RWRjr/df
Attachments

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04430.0359

cc: Mr. Richard Hudson, Lafayette District Office of Conservation
cc: Interested Owners, Interested Parties and Represented Parties

