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October 10, 2007

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 Wells
at Exceptional Location
"N" Sand, Reservoir A
DEQUINCY FIELD
Calcasieu Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Gaither Petroleum Corporation for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the "N" Sand, Reservoir A, for which units were established and rules and regulations adopted by Office of Conservation Order No. 195 effective September 5, 1950.

1. To authorize and permit Gaither Petroleum Corporation to drill and designate a substitute unit well for the "N" RA SUD and "N" RA SUF, said wells located as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 195, effective September 5, 1950.

2. To find that the proposed substitute unit wells are necessary to efficiently and economically drain a portion of the reservoir covered by the units which cannot be so drained by any existing well within such units.

3. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 195, the unit created thereby, and applicable Statewide Orders.

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

The present unit well for the "N" RA SUD, the Aladdin Energy, Inc.(fmly Niloco)-Edgewood Land & Logging Co. "B" No. 2 Well (SN 39811), was converted to a SWD well on July 20, 1998. The present unit well for the "N" RA SUF, the Gaither Petroleum (fmly Shell)-Edgewood Land & Logging Co. No. 1 Well (SN 39728), was shut-in on January 19, 2001. The proposed substitute unit wells are therefore necessary to recover hydrocarbons within the existing units which would otherwise be lost.

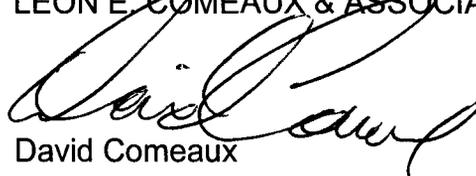
The "N" Sand, Reservoir A, in the Dequincy Field, Calcasieu Parish, Louisiana, was fully defined in Office of Conservation Order No. 195, effective September 5, 1950.

There is attached hereto and made a part hereof a plat identifying the subject units along with the location of the proposed substitute unit wells. 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, Gaither Petroleum Corporation, in the sum of \$1510.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



David Comeaux

DC/cu
Enclosures

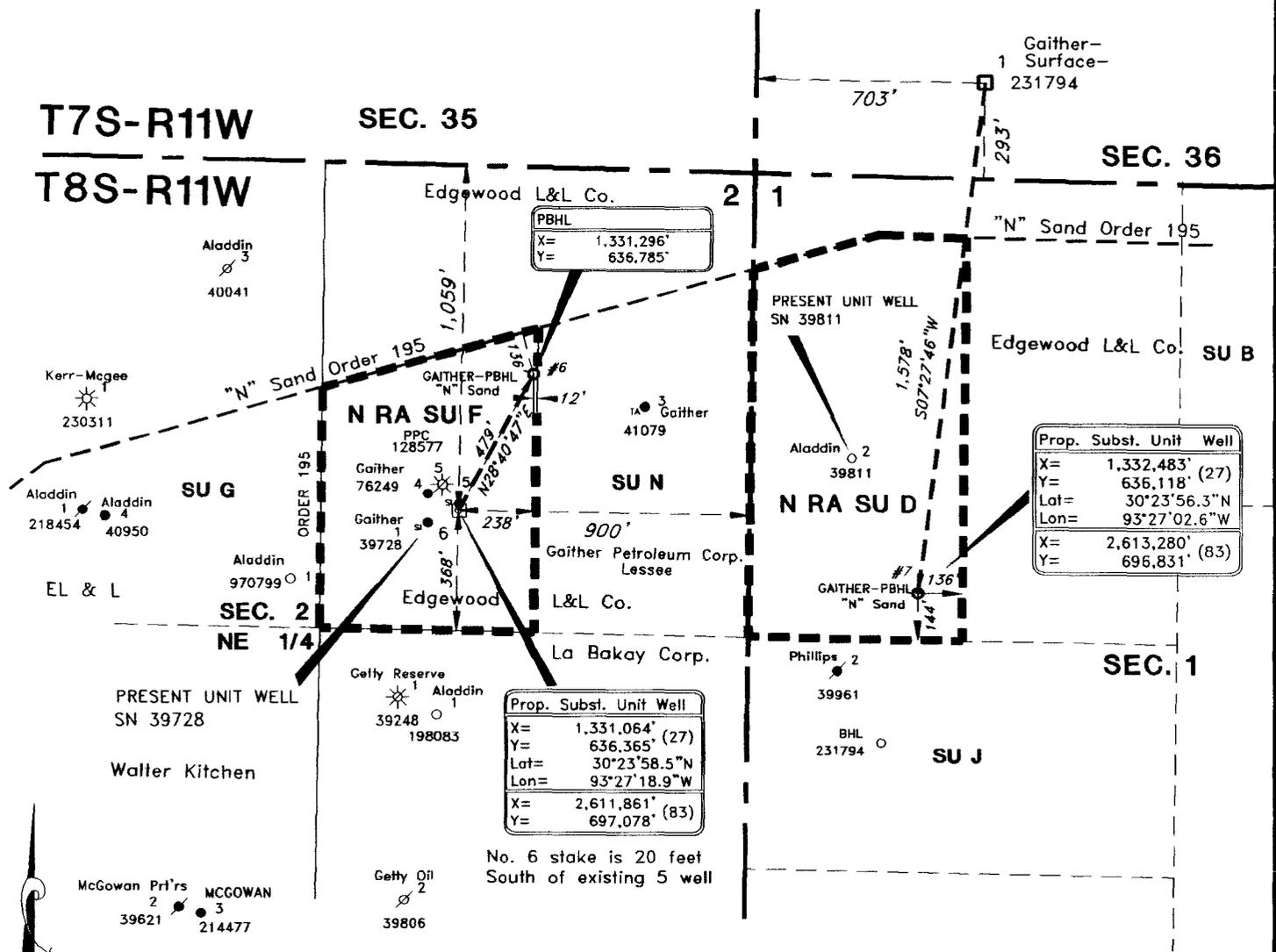
cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested
Owners and Represented Parties

T7S-R11W
T8S-R11W

SEC. 35

SEC. 36



PBHL
X= 1,331,296'
Y= 636,785'

Prop. Subst. Unit Well
X= 1,332,483' (27)
Y= 636,118'
Lat= 30°23'56.3"N
Lon= 93°27'02.6"W
X= 2,613,280' (83)
Y= 696,831'

Prop. Subst. Unit Well
X= 1,331,064' (27)
Y= 636,365'
Lat= 30°23'58.5"N
Lon= 93°27'18.9"W
X= 2,611,861' (83)
Y= 697,078'

No. 6 stake is 20 feet South of existing 5 well

"PROPOSED SUBSTITUTE UNIT WELLS"

GAITHER PETROLEUM CORPORATION

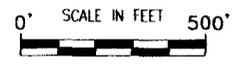
**N RA SUF; EDGEWOOD L&L CO. NO.6
SECTION 2, T8S-R11W**

**N RA SUD; EDGEWOOD L&L CO. NO.7
BHL IN SECTION 1, T8S-R11W**

**DEQUINCY FIELD
CALCASIEU PARISH, LOUISIANA**

LAMBERT GRID NORTH
NAD 1927 LA. S.Z.

C&C Technologies
SURVEY SERVICES
730 E. KALISTE SALOOM ROAD, LAFAYETTE, LA. (337) 261-0660
DWG. BY: NCK CHK. BY: KPB
FILENAME: L:\08S11W\07-3132\007-3132.DWG



DATE: 10/08/2007