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October 19, 2007

Richard W. Revels, Jr.
rwrevels@liskow.com

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

Re: 7,600' Sand, Reservoir B
West Delta Block 52 Field
Plaquemines Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PALM ENERGY OFFSHORE, L.L.C.** for the calling of a public hearing, after legal notice, to consider evidence relative to the following matters:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of oil and gas from the 7,600' Sand, Reservoir B, in the West Delta Block 52 Field, Plaquemines Parish, Louisiana, said unit to be designated 7600 RB SUA.
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 Palm Energy Offshore, L.L.C. as operator of the proposed unit.
4. To designate its State Lease 18936 No. 1 Well as unit well for the proposed unit.
5. To provide that any future wells drilled to the 7,600' Sand, Reservoir B, in the West Delta Block 52 Field, should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
6. To provide that the Commissioner of Conservation should be authorized to reclassify the 7,600' Sand, Reservoir B, in the West Delta Block 52 Field, 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.
7. To consider such other matters as may be pertinent.

October 19, 2007

The 7,600' Sand, Reservoir B, in the West Delta Block 52 Field, is hereby defined as being oil and gas bearing sand encountered between the depths of 8,222 feet and 8,333 feet (electrical log measurements) in the Palm Energy Offshore, L.L.C. – State Lease 18936 No. 1 Well (formerly the AO OA 001 No. 1 Well), located in Township 23 South, Range 31 East, Offshore Plaquemines Parish, Louisiana.

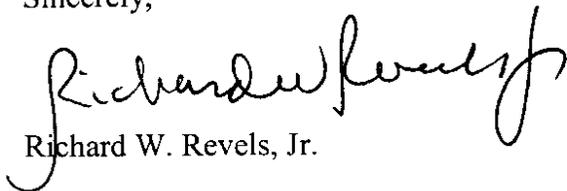
Pursuant to the Rules of Procedure, pre-application notice was given; however, no request for the conference was received. Therefore, the conference tentatively scheduled for October 31, 2007 **WILL NOT BE HELD.**

Any pertinent data, including well logs, not available from the Office of Conservation, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Louis Gilbert & Associates, 3636 North Causeway Blvd., Suite 204, Metairie, LA 70002, Telephone Number (504)834-8112.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal, along with a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such plat (being the same plat attached to the pre-application notice dated October 4, 2007) 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.

Sincerely,



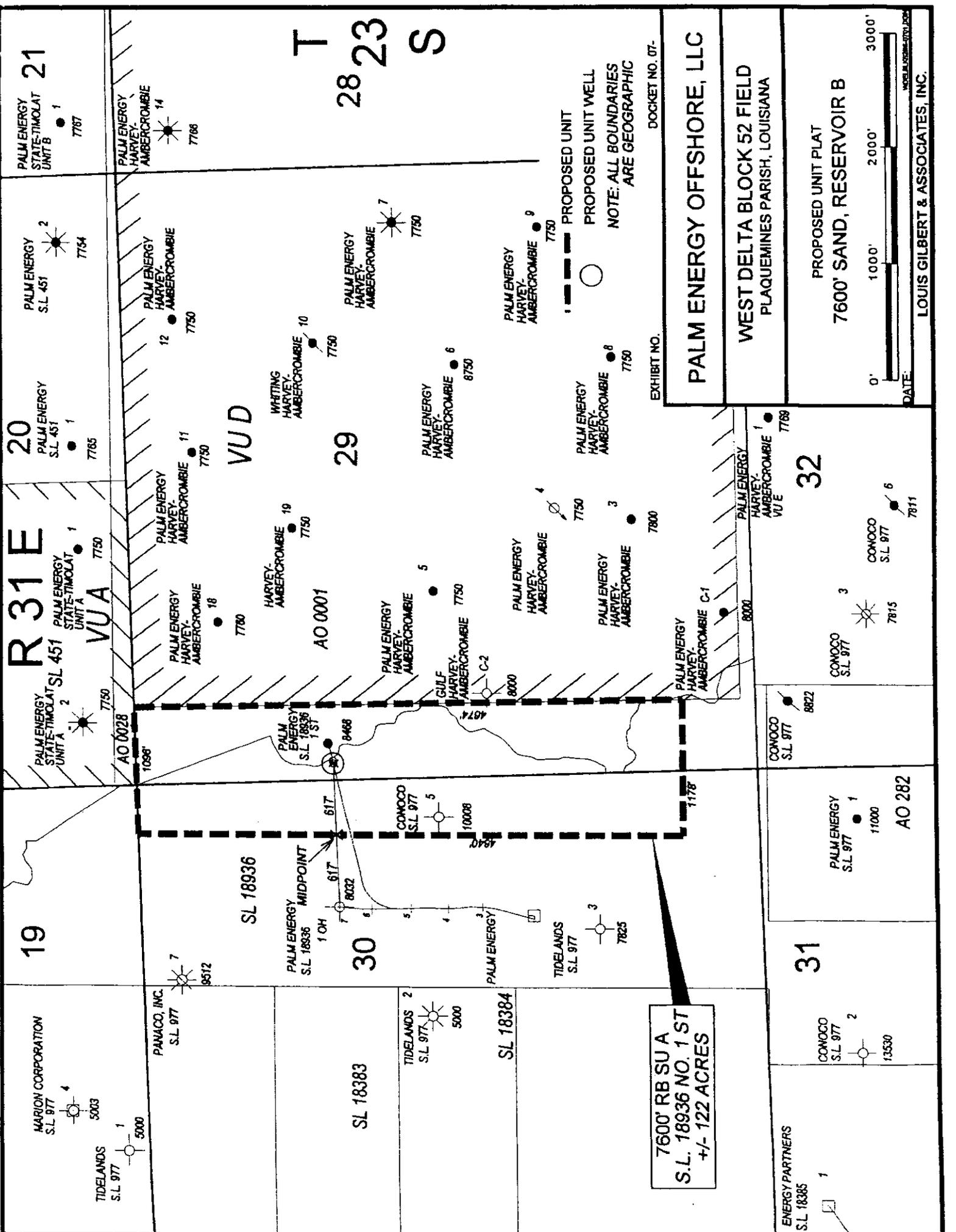
Richard W. Revels, Jr.

RWRjr:dbf

Enclosures

205928_1
68818.0002

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



T 28 23 S

R 31 E

7600' RB SU A
S.L. 18936 NO. 1 ST
+/- 122 ACRES

PROPOSED UNIT
PROPOSED UNIT WELL
NOTE: ALL BOUNDARIES
ARE GEOGRAPHIC

EXHIBIT NO.

DOCKET NO. 07-

PALM ENERGY OFFSHORE, LLC

WEST DELTA BLOCK 52 FIELD
PLAQUEMINES PARISH, LOUISIANA

PROPOSED UNIT PLAT
7600' SAND, RESERVOIR B



DATE: _____
LOUIS GILBERT & ASSOCIATES, INC.

20
PALM ENERGY
S.L. 451
1
7765

21
PALM ENERGY
STATE-TIMOLAT
UNIT B
1
7787

19
PALM ENERGY
STATE-TIMOLAT
UNIT A
2
7750

30
PALM ENERGY
S.L. 18336
1 OH
7
9512

TIDELANDS
S.L. 977
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5000

29
VUD
PALM ENERGY
S.L. 451
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PALM ENERGY
HARVEY-AMBERCROMBIE
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MIDPOINT
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PANACO, INC.
S.L. 977
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ENERGY PARTNERS
S.L. 18385
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