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November 5, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Alliance Zone, Reservoir A, MULVEY FIELD, Vermilion Parish, Louisiana.

Dear Sir:

SANDALWOOD EXPLORATION, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Alliance Zone, Reservoir A, in the Mulvey Field, Vermilion Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Alliance Zone, Reservoir A.

2. To create a single drilling and production unit for the Alliance Zone, Reservoir A, such unit being shown on the attached plat and being designated ALL RA SUA.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each separate tract sharing in unit production on a surface acreage basis of participation.

4. To designate an operator of, and unit well for, the proposed unit as may be appropriate.

5. To provide that future wells drilled within or outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.

6. To provide that the Commissioner of Conservation may reclassify the Alliance Zone, Reservoir A, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

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7. To define the Alliance Zone, Reservoir A, as the stratigraphic equivalent of that interval encountered between the measured depths of 12,563 feet and 13,220 feet in the Southern States Exploration (formerly Martin Exploration Co.)--Marceaux No. 1 Well (SN 214391), located in Section 22, Township 12 South, Range 1 East, Vermilion Parish, Louisiana.

8. To consider such other matters as may be pertinent to this zone and reservoir.

Any pertinent data concerning this application will be available for inspection at the offices of Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70505. Any person wishing to inspect any such data should call Mr. David Comeaux at (337) 233-9839 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated October 1, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 2:00 o'clock p.m. on October 22, 2007, in Lafayette, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained by the undersigned, following which Mr. David Comeaux presented the geological, engineering and other bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. After the presentation by Applicant, Mr. David Sturlese, representing the Laviolette et al. interests, presented a counterplan to expand the proposed unit to include additional acreage on the southeast. Following presentation of the counterplan, additional questions were asked and answered, following which the conference was adjourned with no resolution of the differences. Accordingly, there may be opposition presented at the hearing to the proposals of Applicant as outlined above.

Attached hereto is a plat outlining the one (1) drilling and production unit which Applicant proposes to create. Also attached hereto is a list of the names and addresses of all 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 list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Mulvey Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Office of Conservation for the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Sandalwood Exploration, L.P.

DLS:dp
Enclosures

cc: Mr. Richard Hudson (w/encls.)
Mr. Phil Fleming (w/encls.)
Mr. David Comeaux (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

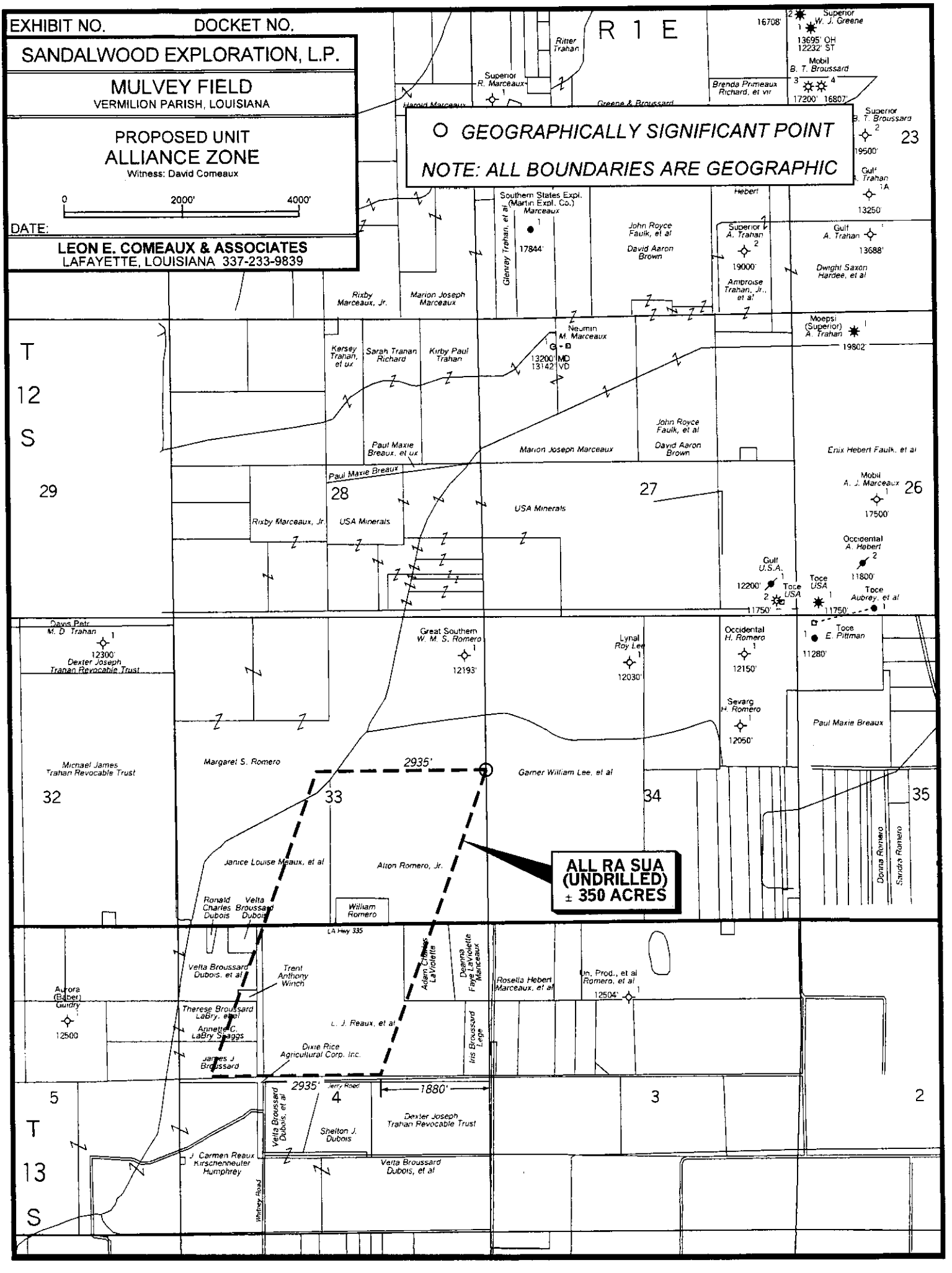
EXHIBIT NO. DOCKET NO.

SANDALWOOD EXPLORATION, L.P.

MULVEY FIELD
VERMILION PARISH, LOUISIANA

PROPOSED UNIT
ALLIANCE ZONE
Witness: David Comeaux

0 2000' 4000'

DATE:

LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839