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November 9, 2007

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Alternate Unit Well
Marg Vag Sand, Reservoir A, SUB
MURPHY LAKE FIELD
St Martin Parish, Louisiana

Dear Mr. Commissioner:

Application is hereby made on behalf of **Dune Operating Company** for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg V Sand, RA SUB, located in the Murphy Lake Field, St. Martin Parish, Louisiana, for which rules and regulations were established and a drilling and production unit was created for the exploration for and production of oil by Office of Conservation Order No. 1056-A-3, effective July 12, 1988.

1. To permit the applicant to drill, designate and utilize its Stockstill No. 2 Well as an alternate unit well for the Marg V RA SUB, said well to be at the location shown on the plat attached hereto.

2. To permit the operator to produce the unit allowable from the existing unit well, the proposed alternate unit well, or both at its option.

3. Except to the extent herein designated, to continue in full force and effect the provisions of Office of Conservation Order No. 1056-A-3.

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

The Mag Vag Sand, in the Murphy Lake Field, St. Martin Parish, Louisiana, was fully defined in Office of Conservation Order No. 1056-A-3, effective July 12, 1988.

The designation of the proposed alternate unit well would permit efficient and economic recovery of the hydrocarbons underlying said unit and is needed to satisfy the market demand for oil and gas from the field.

Pertinent data concerning this matter can be obtained **AT THE COST OF THE REQUESTING PARTY** from Mr. David Comeaux at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337-233-9839).

There is attached hereto and made a part hereof a plat showing the applicant's proposal. 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, Dune Operating Company, in the sum of $755.00 payable to the Office of Conservation and representing the required hearing application fee.

Very truly yours,

William F. Bailey

WFB/ht

Enclosures
cc: Mr. Richard Hudson
Office of Conservation

Interested Parties, Interested
Owners and Represented Parties

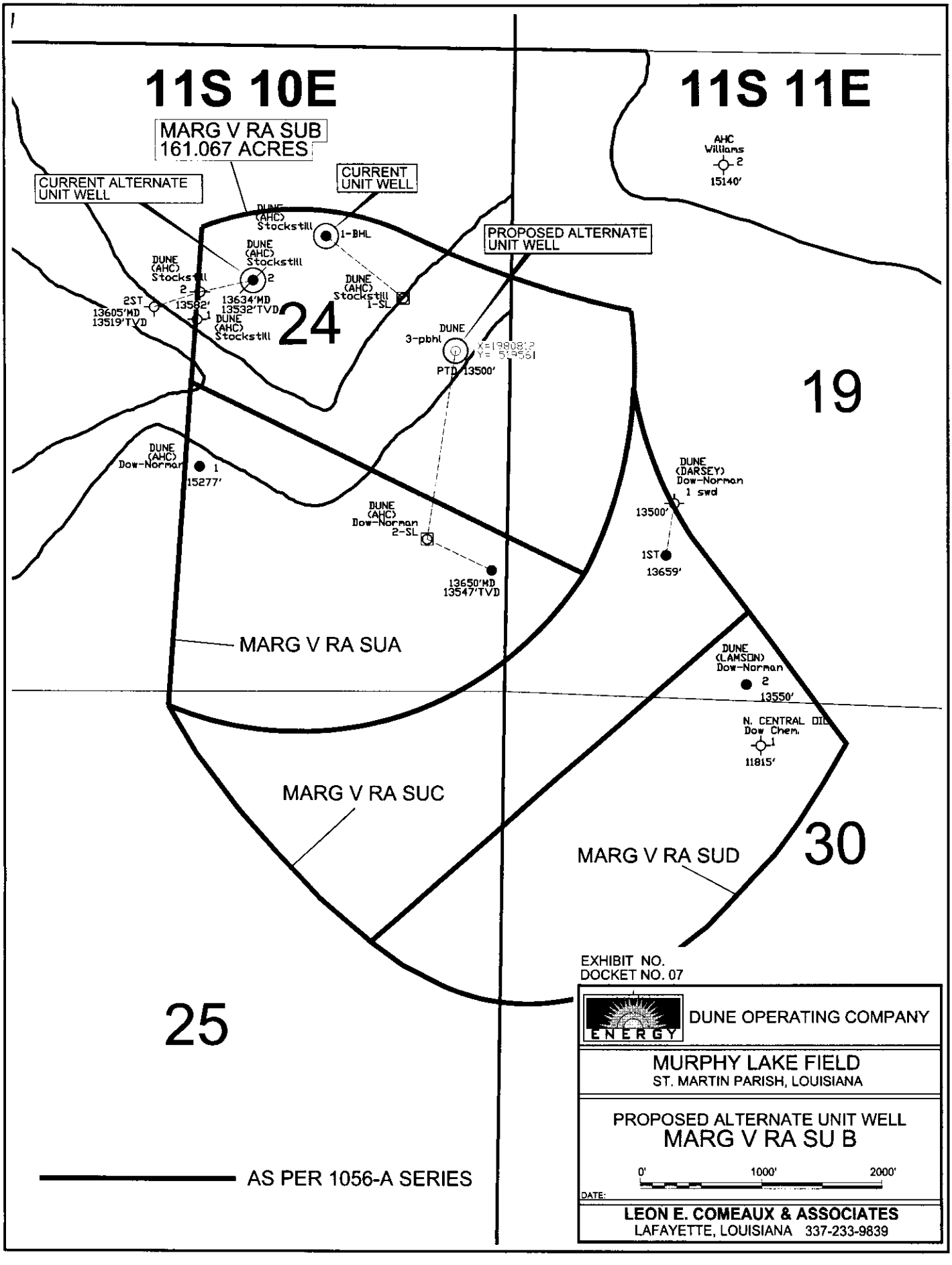

EXHIBIT NO.
DOCKET NO. 07

DUNE OPERATING COMPANY

MURPHY LAKE FIELD
ST. MARTIN PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL
MARG V RA SU B

0' 1000' 2000'

DATE:

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