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November 13, 2007

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

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
PET RA SUF
HOSS RA SUF
Grand Cane Field
DeSoto Parish, Louisiana
Our File No. 430071.101

Dear Sir:

In accordance with the Rules of Procedure of the Commissioner of Conservation, notice is hereby given that **QUESTAR EXPLORATION AND PRODUCTION COMPANY** intends to make application to the Commissioner of Conservation of the State of Louisiana for a public hearing to receive evidence concerning the following matters relating to the Pettet and Hosston Formations, Reservoirs A, in the Grand Cane Field, DeSoto Parish, Louisiana:

1. To permit the Applicant to designate and utilize its Lillie Smith No. 1 - Alt. Well as the substitute unit well for PET RA SUF, at the location shown on the plat attached hereto;
2. To explicitly find that the abovesaid substitute unit well is necessary to efficiently and economically drain a portion of the Pettet Formation, Reservoir A, in the Grand Cane Field, underlying PET RA SUF, which cannot be efficiently and economically drained by any existing well in such unit;
3. To permit the downhole combination of the Pettet Formation, Reservoir A and Hosston Formation, Reservoir A, in any well drilled on PET RA SUF and HOSS RA SUF, in the Grand Cane Field, DeSoto Parish, Louisiana, as to which the ownership and areal extent are identical; and
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Pettet Formation, Reservoir A, in the Grand Cane Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 342-A, effective May 24, 1978.

The Hosston Formation, Reservoir A, in the Grand Cane Field, DeSoto Parish, Louisiana, was fully defined in Office of Conservation Order No. 342-B, effective May 24, 1978.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data regarding this application will be made available for inspection at the offices Blanchard, Walker, O'Quin & Roberts, 400 Texas Street, Suite 1400, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. Copies of such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached and a copy of this application, with the attached plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons required by the Rules of Procedure. The Applicant will also arrange for mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

A check in the amount of \$1,510.00 payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III

WTAll:kmw
Enclosures

Attorneys for Questar Exploration and Production Company

- cc: Mr. James C. Broussard, District Manager
Office of Conservation, Shreveport, La. (w/enclosures)
- cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

