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February 12, 2007

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

Re: 13,400' Sand, Reservoir A
OUTSIDE ISLAND FIELD
Vermilion Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **MCMORAN OIL & GAS, LLC** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 13,400' Sand, Reservoir A, in the Outside Island Field, Vermilion Parish, Louisiana:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the 13,400' Sand, Reservoir A, in the Outside Island Field, Vermilion Parish, Louisiana, said proposed unit designated 13400 RA SUA, as shown on the plat attached hereto and made a part hereof.

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 McMoRan Oil & Gas, LLC as operator of the proposed unit.

4. To designate the McMoRan Oil & Gas, LLC – Vermilion Parish School Board No. 1 Well as unit well for the proposed unit.

5. To provide that any future substitute and/or alternate unit wells drilled to the 13,400' Sand, Reservoir A, within or outside of the unit created herein, should be located in accordance with the spacing 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 reservoir 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 others matters as may be pertinent.

February 12, 2007

The 13,400' Sand, Reservoir A, in the Outside Island Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 14,399 feet and 14,673 feet (electrical log measurements) in the McMoRan Oil & Gas, LLC – Vermilion Parish School Board No. 1 ST-2 Well, in Section 16 of Township 13 South, Range 1 East, Vermilion Parish, Louisiana.

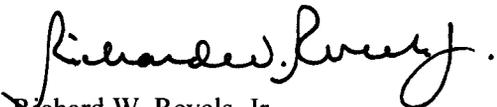
Pertinent data, including well logs, may be obtained, AT THE COST OF THE REQUESTING PARTY, from Louis Gilbert & Associates, 3636 North Causeway Blvd, Suite 204, Metairie, LA 70002, Telephone No. (504) 836-6393.

Pursuant to the Rules of Procedure, a pre-application conference was held on January 11, 2007, in Lafayette, Louisiana at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the applicant's proposal. Questions were asked and answered. Three counterplans were presented by landowner representatives. Differences could not be resolved, and the conference was then adjourned. Since the conference, the applicant has resolved differences with two of the three parties presenting counterplans. As a result of this partial resolution of differences, the applicant has revised its unit proposal to that shown on the plat attached hereto and made a part hereof. It is possible that opposition to the applicant's proposal will be presented at the hearing.

Attached hereto and made a part hereof are a plat outlining the applicant's proposal, the conference attendance list and the list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the list of parties 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 of parties will be furnished to any party requesting a copy. 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.

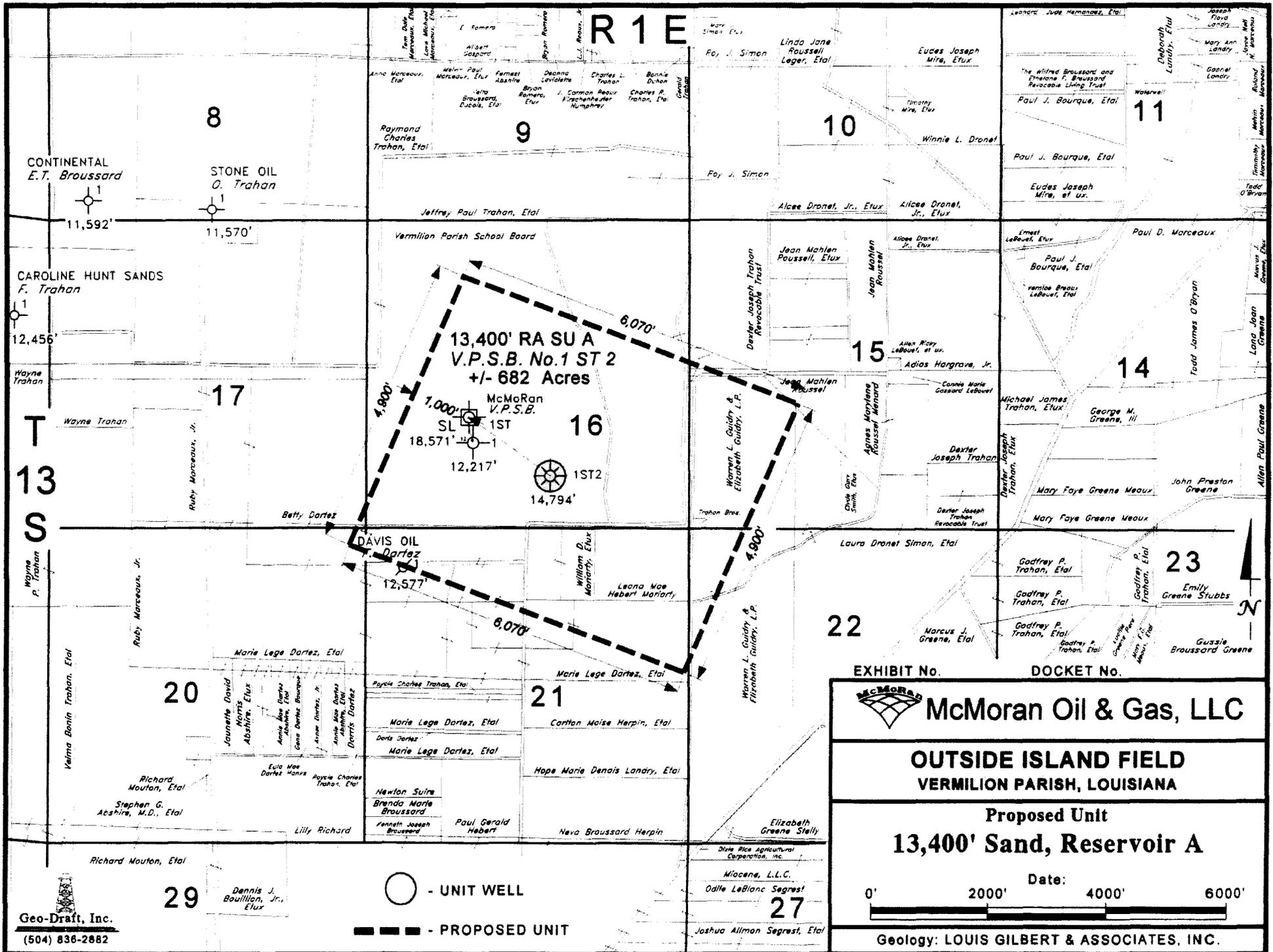
Very truly yours,


Richard W. Revels, Jr.

RWRjr/df
Attachments

187602_1
56251.0035

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



Geo-Draft, Inc.
(504) 836-2882

EXHIBIT No. _____ DOCKET No. _____

McMoran Oil & Gas, LLC

OUTSIDE ISLAND FIELD
VERMILION PARISH, LOUISIANA

Proposed Unit
13,400' Sand, Reservoir A

Date: _____

0' 2000' 4000' 6000'

Geology: LOUIS GILBERT & ASSOCIATES, INC.