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March 1, 2007

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

Re: Gray Sand, Reservoir A
South Sarepta Field
Bossier Parish, Louisiana
Alternate Unit Well Designations for GRAY RA SUI

Dear Commissioner Welsh:

Application is hereby made on behalf of **KERR-McGEE OIL & GAS ONSHORE LP**, 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 Gray Sand, Reservoir A, in South Sarepta Field, Bossier Parish, Louisiana, said unit designated GRAY RA SUI:

1. To permit the applicant to drill, designate and utilize its Payne et al 30 No. 1 Well and Cook et vir 30 No. 1 Well as additional alternate unit wells for the GRAY RA SUI, in the South Sarepta Field, Bossier Parish, Louisiana, said wells to be at the locations shown on the plat attached hereto and made a part hereof, in exception to the spacing provisions of Office of Conservation Order No. 167-F, effective November 1, 1963.

2. To find that these wells are necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.

3. To permit the operator to produce the unit allowable in accordance with the provisions of Office of Conservation Order No. 167-F-9, effective March 7, 1995 (at a rate equal to the combined rate at which the unit well and the alternate unit well or wells, whether one or more, located on such unit are capable of efficiently producing).

4. Except to the extent herein set forth, to continue in full force and effect the provisions of Office of Conservation Order No. 167-F, effective November 1, 1963, as amended and supplemented by the 167-F Series of Office of Conservation Orders, the units created thereby and applicable Statewide Orders.

March 1, 2007

5. To consider such other matters as may be pertinent.

The Gray Sand, Reservoir A, in the South Sarepta Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 167-F-2, effective November 12, 1974.

The proposed additional alternate unit wells will permit efficient and economic recovery of hydrocarbons underlying the unit and are needed to satisfy the market demand for gas and condensate from the field.

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 list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of \$755.00 made payable to the Office of Conservation representing the required hearing application fee.

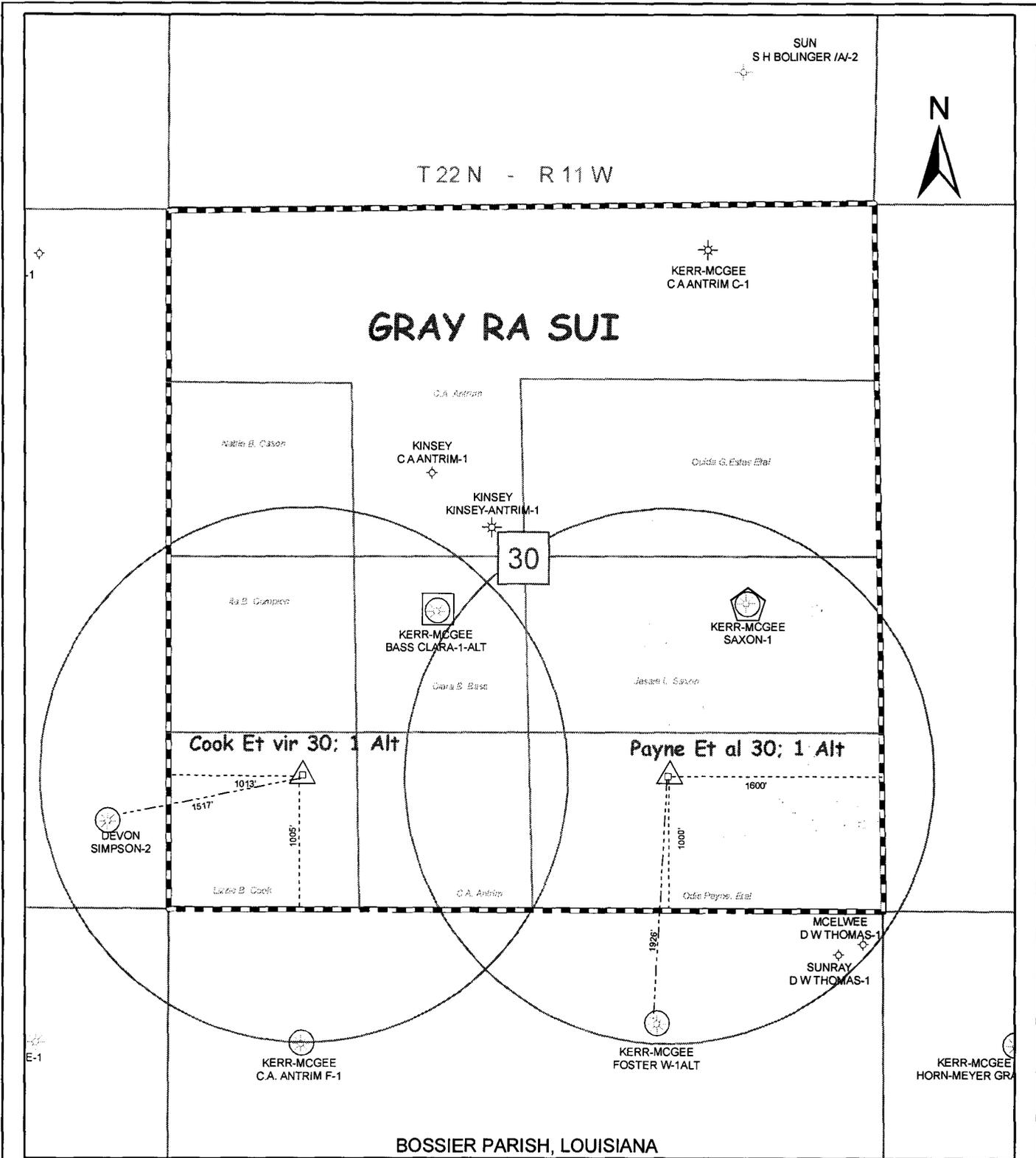
Very truly yours,



Richard W. Revels, Jr.

RWRjr/dbf
Enclosures
48990.0226
191882_1

cc: James Broussard, Shreveport District Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties



BOSSIER PARISH, LOUISIANA

- Wells**
- DRY
 - GAS
 - SL
 - P&A
 - Gray RA Producer

- 2000' Radius from Location
- Current Unit Well
- Proposed Alternate Unit Well
- Approved Alternate Unit Well

1,000 Feet

SOUTH SAREPTA FIELD
Bossier Parish, Louisiana

Application for Alternate Unit Wells
 at Exceptional Locations
 GRAY RA SUI; Cook Et vir 30; 1 Alt and
 GRAY RA SUI; Payne Et al 30; 1 Alt

Date: 2/13/07 By: C. McIlvain
 File: GRAYRASUI WELL.1