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BENSON WOODWARD L.L.P.

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Robert L. Cabes
A Professional Law Corporation
(337) 232-3929
rcabes@millinglafayette.com
Mailing Address:
P. O. Box 51327
Lafayette, LA 70505-1327

June 2, 2008

2008 JUN -4 PM 1:13

Honorable James H. Welch
Commissioner of Conservation
Office of Conservation
P. O. Box 2827
Baton Rouge, LA 70821-2827

Re: Duck Lake Field
St. Martin and St. Mary Parishes, Louisiana
Discorbis 1 Sand

Dear Sir:

Hilcorp Energy I, LP (Applicant) hereby applies 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 Discorbis 1 Sand in the Duck Lake Field, St. Martin and St. Mary Parishes, Louisiana:

1. To dissolve the fieldwide unit created by Order No. 174-G, dated June 2, 1958, and to simultaneously create a revised Unitized Area for the fieldwide unit established in such order, by adding thereto an area of 24 acres, more or less, as shown on the attached proposed Revised Exhibit B ("Unitized Area").

2. To revise the net acre-foot sand basis calculations for the Non-associated Gas Sands unitized in Order No. 174-G, based upon the information obtained from the drilling of the Hilcorp Energy I, LP, et al-Williams No. C-1 Well, located in Section 34, T14S, R11E, St. Martin Parish, Louisiana.

3. To designate Hilcorp Energy Company as the Unit Operator for the revised Unit.

4. To consider such other matters as may be pertinent and appropriate under the circumstances.

The Discorbis 1 Sand in the Duck Lake Field was previously defined in Order 174-C, dated March 11, 1953, as that sand established at a depth of 12,332 feet to 12,446 feet on the

basis of the Schlumberger Electric Log of the Humble-R. H. Goodrich #C-3 Well, located in Section 2, Township 15 South, Range 11 East, and indicated to be productive of gas and/or condensate at said depth.

Pursuant to Order No. 174-G, individual well units previously established by Orders 174-A-1, 174-G-1, 174-C-1 and 174-E-1 for the UL-1, Robulus 1, Discorbis 1, Discorbis 2 and Discorbis 3 Sands, Duck Lake Field, were dissolved and a composite Unitized Area established for all of the said sands, upon recordation of a designation instrument provided for in Article XXXII of the Operating Parties Agreement, which instrument was recorded in the Conveyance Records of St. Mary and St. Martin Parishes.

Applicant has drilled and completed the Hilcorp Energy I, LP, et al-Williams No. C-1 Well, located in Section 34, T14S, R11E, St. Martin Parish, Louisiana as a producer of gas and condensate in the Discorbis 1 Sand at a bottom hole location outside the existing Unitized Area. As a result of the new geological information, Applicant seeks a revision of the Unitized Area to include the area believed to be productive from the said well in the Discorbis 1 Sand.

A conference to discuss the proposed application was tentatively scheduled for June 16. No request for such conference was received and thus no conference was held.

Attached is a plat outlining the proposed unit, as revised. Pursuant to the Revised Rules of Procedure, a list of names and addresses of the all Interested Parties, Represented Parties and Interested Owners to whom this notice 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, a list of parties 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.

Also attached is our firm check for the required hearing fee, in the amount of $755.

Respectfully Submitted,

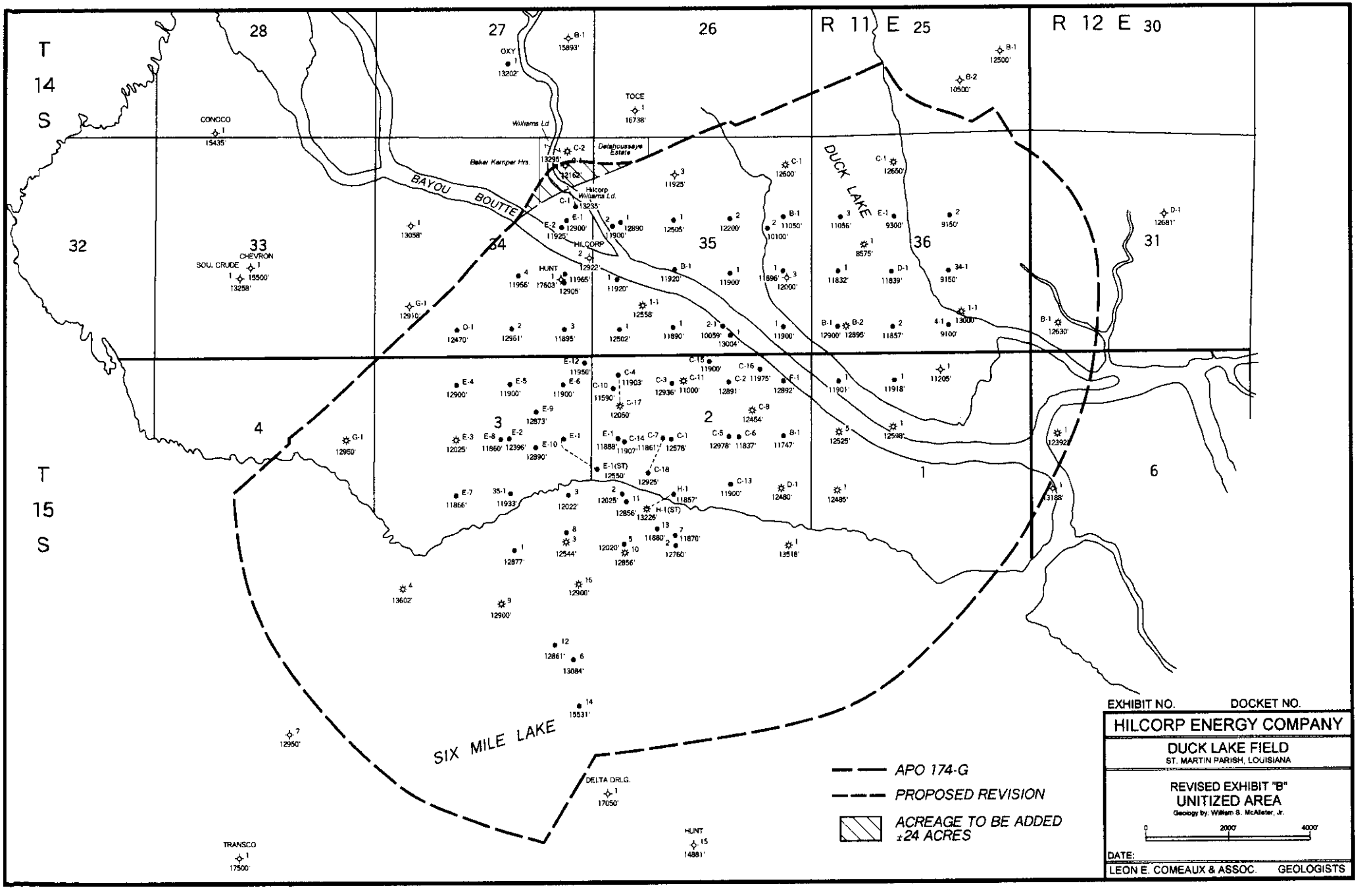
Milling Benson Woodward, L.L.P.

Robert L. Cabes

RLC.

cc: Mr. Richard Hudson
Office of Conservation
P. O. Box 51285
Lafayette, LA 70506
(w/Interested Parties List)

cc: Interested Parties, Represented Parties and Interested Owners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BAYOU BOUTTE
DUCK LAKE
SIX MILE LAKE
Williams Ld
Baker Kemper Hrs.
Delahoussaye Estate
Hilcorp Williams Ld.
HILCORP
HUNT
OXY
TOCE
CONOCO
CHEVRON
SOU. CRUDE
DELTA DRLG.
TRANSCO
APO 174-G
PROPOSED REVISION
ACREAGE TO BE ADDED ±24 ACRES
EXHIBIT NO.
DOCKET NO.
HILCORP ENERGY COMPANY
DUCK LAKE FIELD
ST. MARTIN PARISH, LOUISIANA
REVISED EXHIBIT "B"
UNITIZED AREA
Geology by: William S. McAlister, Jr.
0
2000'
4000'
DATE:
LEON E. COMEAUX & ASSOC.
GEOLOGISTS