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June 12, 2008

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, and
Smackover Zone, Reservoir C, CADDO-PINE
ISLAND FIELD, Caddo Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and to the Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, Caddo Parish, Louisiana:

1. To create eight (8) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SUL through CV RA SUS.
2. To create eleven (11) additional drilling and production units for the exploration for and production of gas and condensate from the Smackover Zone, Reservoir C, such units being shown on an attached plat and being designated SMK RC SUC through SMK RC SUM.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit wells for, the proposed additional units as may be appropriate.
5. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, and the Smackover Zone, Reservoir C, in any well drilled on the identical

units for these formations proposed herein or on the previously created units designated CV RA SUA, CV RA SUG and CV RA SUH, in which the interests in the units are identical.

6. To redefine the Cotton Valley Formation, Reservoir A, in the Caddo-Pine Island Field, INsofar AND ONLY INsofar as to the eight (8) additional units proposed herein and as to the existing units designated CV RA SUA, CV RA SUG and CV RA SUH, created by Office of Conservation Order No. 122-M, effective January 1, 1977, as being that interval encountered between the measured depths of 6,792 feet and 9,480 feet in the Texaco, Inc.--DL Gish et al No. 1 Well (SN 162843), located in Section 23, Township 20 North, Range 15 West, Caddo Parish, Louisiana.

7. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 122-M, effective January 1, 1977, to the proposed additional units for the Cotton Valley Formation, Reservoir A.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 122-X-1, effective August 15, 2006, to the proposed additional units for the Smackover Zone, Reservoir C.

9. To discuss such other matters as may be pertinent to the Cotton Valley Formation, Reservoir A.

The Cotton Valley Formation, Reservoir A, in the Caddo-Pine Island Field, Caddo Parish, Louisiana, is currently defined in Office of Conservation Order No. 122-M, effective January 1, 1977.

The Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 122-X-1, effective August 15, 2006.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

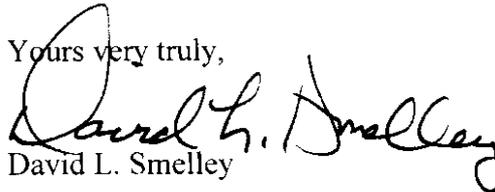
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Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats is enclosed herewith and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 10:00 A.M. on June 30, 2008, at the Shreveport Petroleum Club, Energy Room A, 15th Floor, 416 Travis Street, Suite 1500, Shreveport, Louisiana 71101. **THERE IS NO REQUIREMENT THAT ANY PERSON RECEIVING THIS LETTER ATTEND THIS CONFERENCE.** This is merely an invitation to attend and participate if you so desire.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Caddo-Pine Island Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,


David L. Smelley

--- Attorney for Matador Production Company

DLS:dp
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Cody Hubbell (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

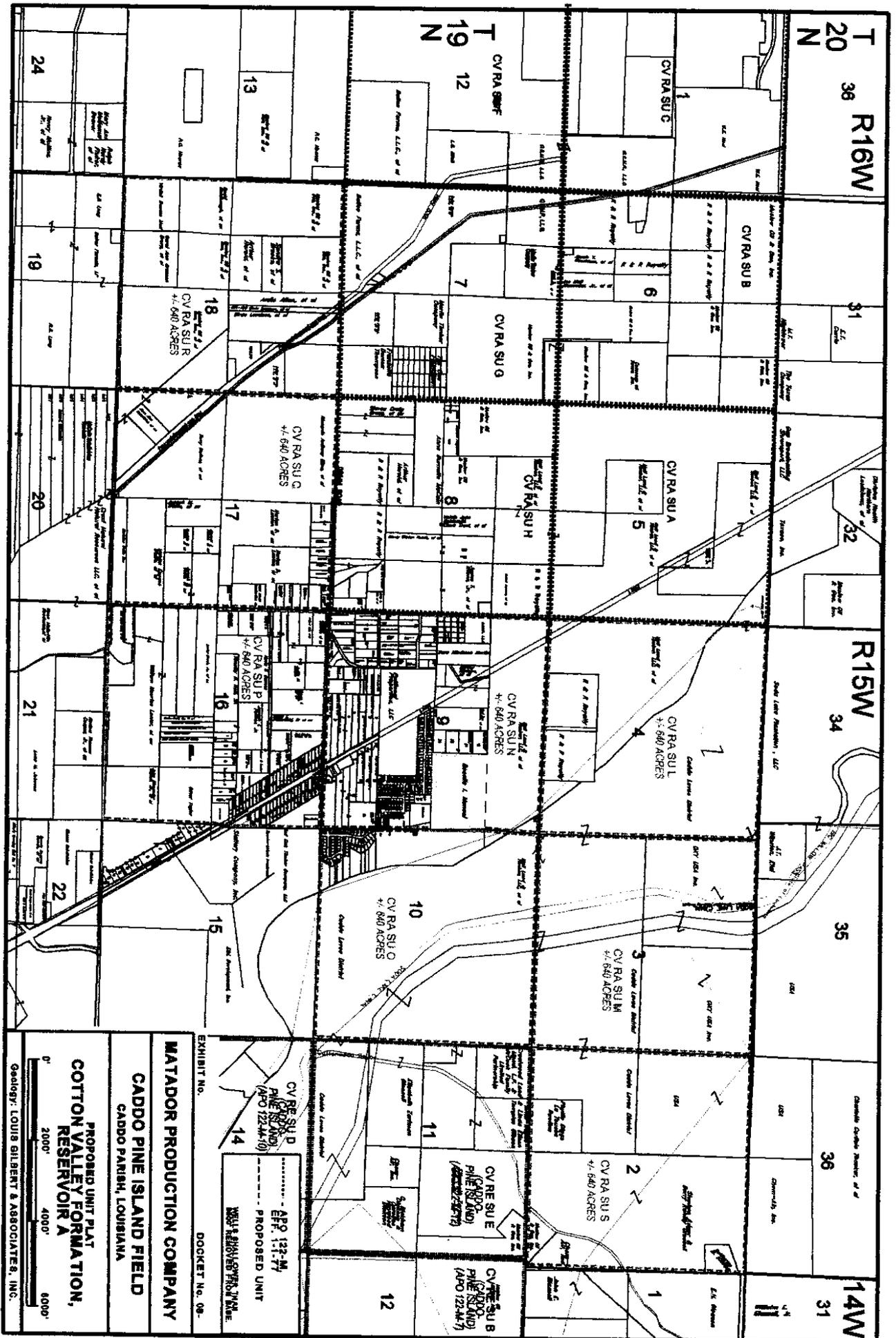


EXHIBIT NO. **MATADOR PRODUCTION COMPANY**
CADDO PINE ISLAND FIELD
 CADDO PARISH, LOUISIANA
 DOCKET NO. 08-
PROPOSED UNIT PLAT
COTTON VALLEY RESERVOIR A
 PROPOSED UNIT
 AP# 132-M
 EFP: 1:1-77
 (APO 12244-0)
 (APO 12244-10)
 (APO 12244-11)
 (APO 12244-12)
 (APO 12244-13)
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 (APO 12244-49)
 (APO 12244-50)

Geology: LOUIS SILBERT & ASSOCIATES, INC.
 0' 2000' 4000' 8000'
 Scale bar showing 0, 2000, 4000, and 8000 feet.

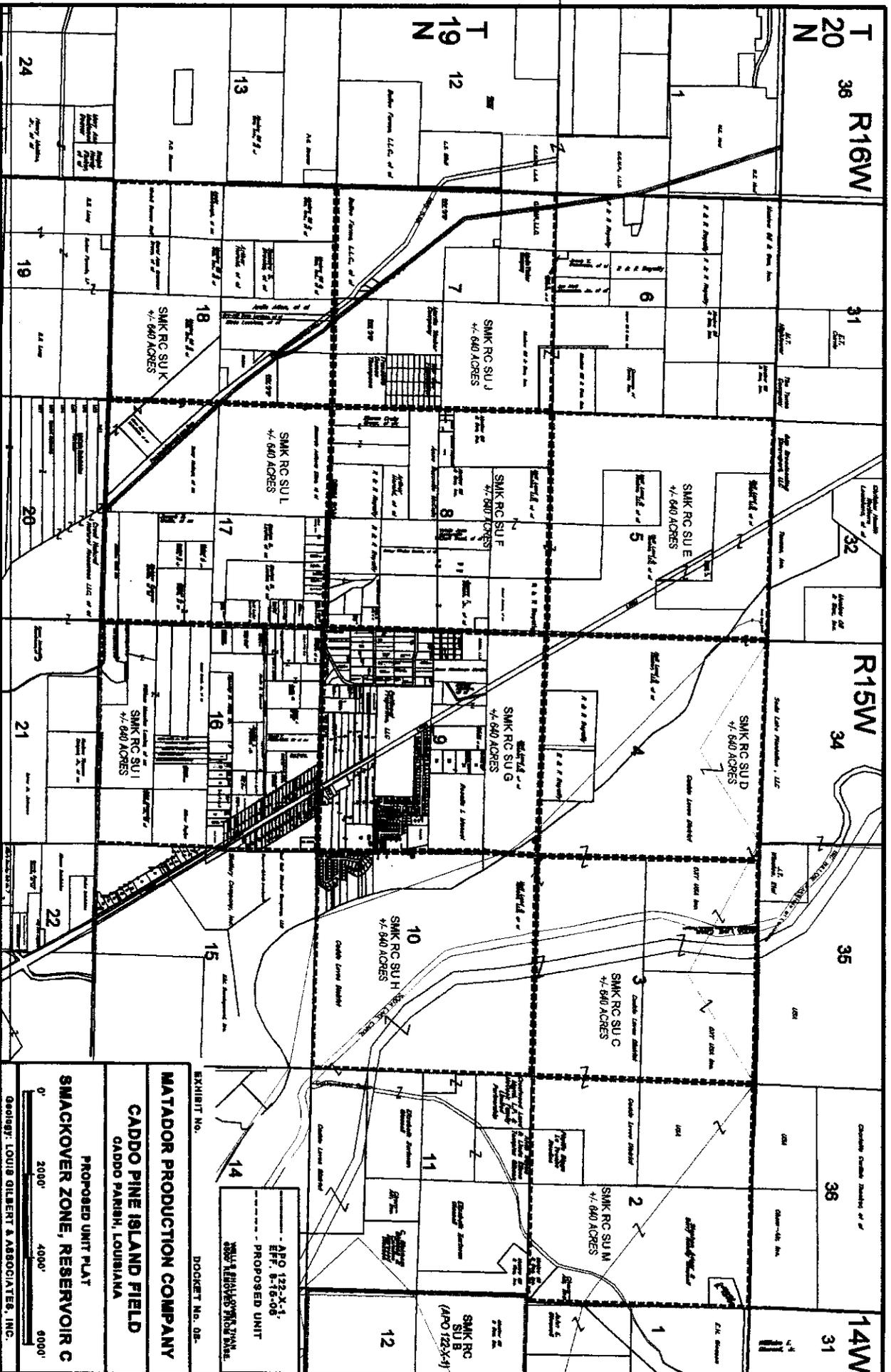


EXHIBIT NO. DOCKET NO. 08.
MATADOR PRODUCTION COMPANY
CADDO PINE ISLAND FIELD
 CADDO PARISH, LOUISIANA
 PROPOSED UNIT PLAY
SMACKOVER ZONE, RESERVOIR C
 Geology: LOUIS GILBERT & ASSOCIATES, INC.

0' 2000' 4000' 6000'
 Scale bar showing distances in feet.