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June 26, 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.

“C” Sand of the Cotton Valley Formation; McCrary Sand of the Cotton Valley Formation; Price Sand in the North Grambling Area; Hosston Zone, Reservoir A; and Cotton Valley Zone, Reservoir B; RUSTON FIELD, Lincoln Parish, Louisiana.

Dear Sir:

INDIGO MINERALS LLC (“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 “C” Sand of the Cotton Valley Formation; McCrary Sand of the Cotton Valley Formation; Price Sand in the North Grambling Area; Hosston Zone, Reservoir A; and the Cotton Valley Zone, Reservoir B; all in the Ruston Field, Lincoln Parish, Louisiana:

“C” Sand of the Cotton Valley Formation;
McCrary Sand of the Cotton Valley Formation;
Price Sand in the North Grambling Area

1. To dissolve the unit shown on an attached plat and designated “C” RA SUE, created for the “C” Sand of the Cotton Valley Formation by Office of Conservation Order No. 164-N-2, effective June 1, 1977.
2. To dissolve the unit shown on an attached plat and designated McC RA SUD, created for the McCrary Sand of the Cotton Valley Formation by Office of Conservation Order No. 164-M-1, effective September 15, 1976.
3. To dissolve the unit shown on an attached plat and designated PR RA SUB, created for the Price Sand in the North Grambling Area by Office of Conservation Order No. 164-H-3, effective September 15, 1976.

The "C" Sand of the Cotton Valley Formation in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-N, effective January 24, 1962.

The McCrary Sand of the Cotton Valley Formation in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-M, effective October 1, 1961.

The Price Sand in the North Grambling Area in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-H, effective September 1, 1959.

Hosston Zone, Reservoir A,
and Cotton Valley Zone, Reservoir B

1. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SUF through HOSS RA SUJ.
2. To create five (5) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir B, such units being shown on an attached plat and being designated CV RB SUF through CV RB SUJ.
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 a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
5. To permit Applicant to drill, designate and utilize an alternate unit well for CV RB SUI at the location shown on an attached plat.
6. To find that an alternate unit well for CV RB SUI is necessary to efficiently and economically drain a portion of the Cotton Valley Zone, Reservoir B, underlying CV RB SUI which cannot be efficiently and economically drained by any existing well within such unit.
7. To permit the operator of CV RB SUI to produce the allowable assigned to this unit from either the unit well, from the alternate unit well, or from a combination of such wells, at the option of the operator.

8. To amend the definition of the Cotton Valley Zone, Reservoir B, insofar and only insofar as to the proposed unit CV RB SUF, so as to less and except therefrom the Price Sand in the North Grambling Area, as defined in Office of Conservation Order No. 164-H, effective September 1, 1959.

9. To permit Applicant to combine downhole production from the Hosston Zone, Reservoir A, and from the Cotton Valley Zone, Reservoir B, in any well drilled on the identical units for these zones in which the interests of the parties are identical.

10. To extend, except as in conflict herewith, to the proposed additional units for the Hosston Zone, Reservoir A, the provisions of Office of Conservation Order No. 164-CC, effective March 12, 2002, as amended and supplemented by the Order No. 164-CC series of Orders, and of all applicable Statewide Orders.

11. To extend, except as in conflict herewith, to the proposed additional units for the Cotton Valley Zone, Reservoir B, the provisions of Office of Conservation Order No. 164-HH-1, effective September 26, 2007, and of all applicable Statewide Orders.

12. To consider such other matters as may be pertinent to either of these zones.

The Hosston Zone, Reservoir A, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-CC, effective March 12, 2002.

The Cotton Valley Zone, Reservoir B, in the Ruston Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 164-HH-1, effective September 26, 2007.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Craig Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person wishing to inspect any such data should call Mr. Barclay at (318) 869-2223 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated June 13, 2008, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and a pre-application conference with respect to Applicant's proposals was tentatively scheduled for July 16, 2008. A request for the pre-application conference was received within ten (10) days after the date of the pre-application notice; however, it was subsequently withdrawn. Therefore, no conference will be held.

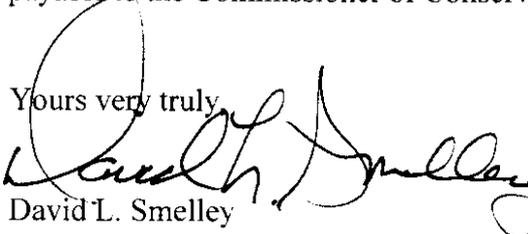
Honorable James H. Welsh
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Attached hereto are plats showing the units proposed to be created and the units proposed to be dissolved (which are identical to the plats attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all 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 is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of 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 Ruston 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 Indigo Minerals LLC

DLS:dp
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Mason Lemmond (w/encls.)
Mr. Craig Barclay (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

R 3 W

T 19 N

T 18 N

McCombsy
L. Methodist
1
9798

Crow
A. Hines et al
1
9900

TXO
A. D. Smith
1
10,065

Francis et al
Clear et al
1
8104

Plymouth et al
L. Younger et al
1
10,205

TXO Prod
Adriant
191120
9714
"C" RA SU A
640 ± Acres
31
J.C. Tatum
Pamley et al
1
86820
9772

Phonico
W.B. Holloway
218874
2
4900
9254
72805
80533
CSC Energy
Shinner
1
220743
9950
Wessely
W.C. Shinnott
1
173019
9376
Francis et al
W.C. Shinnott
1
80110
9726

Phonico
L. Month 33
228208
1
7600
TXO
Hovens
1
9600
191685
"C" RA SU K
640 ± Acres
33
Goodrich
Hovens
1
170827
9680
Francis
Shinnott
1
180400
9274
Pure Oil
Turkey et al
1
222385
9710
TXO
Young
1
9730

"C" RA SUB B
640 ± Acres
6
Found
J.L. Cargill et al
1
78488
10,005
CSC
Armstrong et al
2
228878
9999
230878 (Price)

CSC Energy
Armstrong et al
1
227008
9999
IMC Expl
J.W. Bink et al
1
9612
198222
SI
Found et al
J.W. Bink
1
80262
9923

"C" RA SU D
640 ± Acres
4
IMC Expl
Stangle-Nix Lohr
1
9650
188288
Nadel et al
Lizinda Parris
1
9800
Eaton G&O
Lawrence et al
1
7276

Nelson
(Atlantic Refig)
H. Price
1
73817
(10,310)
11,422
7
IMC Expl
M.C. Howard et al
3
9640
188883
TXO
Development
A-1
10,042
188861

IMC Expl
M.C. Howard et al
1
13,412
181628
10,060
183704
Gay Co
Cargill
1
5607
8
108700
Goldberry
Hend et al
1
6045
182724

Carrolline Row
J. Minton
1
221888
10,000
"C" RA SU E
640 ± Acres
9
ORD. 164-N-2
(06/01/1977)
IMC Expl
R. Wilton et al
1
10,004
188201
J.W. Crigley
J.W. Cook
1
10,008

IMC Expl
M.C. Howard et al
2
9745
188214
18
"C" RA SU H
640 ± Acres
I-20 R/W

IMC Expl
C. Wilkinson et al
1
10,130
187088
17

Francis & Bass et al
A. Fowler et al
1
10,100
187233
16

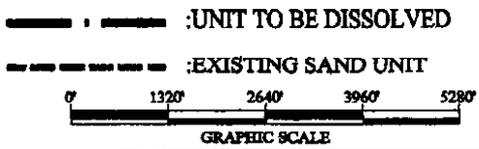
EXHIBIT NO. 1

DOCKET NO. 08-

INDIGO MINERALS LLC
HOUSTON, TEXAS

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

"C" SAND RESERVOIR A SAND UNIT E
TO BE DISSOLVED



T 19 N

T 18 N

R 3 W

McC RA SU F
640 ± Acres

McC SU A
640 ± Acres

McC SUB
640 ± Acres

McCreary
La Marcellus
9790

TXO Prod
Mittell
181120
9714

CSC Energy
Shiner
9950
228743

Francis
W B Holloway
218874
4800
9254
22498
80853

Ward-Gessner
L. Adams 33
228298
7600
1 82816
9687

TXO
Haines
9600
181896

TXO
Young
9750
L-1

Gray
A. Hines et al
9900

31

32

33

Goodrich
Haines

Wesley
W C Simonsen
173818
9578

Francis O&G
Harris
222847
9640

Francis
Simonsen
9274
188480

478827
9600
1 188480
McC RA SUE
488 ± Acres

Steele Land Expl.
Smith
222885
9710

TXO
A D Smith
10,065

Fossil
J.L. Cargill et al
78488
10,885

CSC
Armstrong et al
228678
9999
228676 (Price)

CSC Energy
Armstrong et al
227008
9999

188222 SL

IMC Expl
J W Ellis et al
9618

Fossil et al
J W Ellis
9939
88282

IMC Expl
Storpe-Mix Lease
9650
188288

Nickel et al
Lincoln Parish
9800

Hudson O&G
Larson et al
7276

7

Nelson
(Adrian Rafiq)
B Price
73817
13,412
10,860
11,420

IMC Expl
M C Howard Tr
181828
13,412

183704
10,860

Gay Co
Cargill
5600
8
188700

Goldberry
Hess et al
9845
182724

IMC Expl
M C Howard Tr
9640
3
188883

Carrollton Farm
J M Michalek
221888
10,100

McC RA SUD
640 ± Acres

9
ORD. 164-84-1
(9/15/1976)

IMC Expl
R Wills et al
10,084
188801

J W Grigsby
J W Cook
10,080

Francis et al
Gear et al
8184

Frymuth et al
L Young et al
10,285

TXO
Devonport
A-1
188881
10,042

18

17

16

IMC Expl
M C Howard Tr et al
9749
2
188214

IMC Expl
C Wilkinson et al
10,150
1
167088

Francis & Bess et al
A Fowler et al
10,100
1
167283

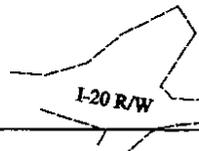


EXHIBIT NO. 1

DOCKET NO. 08-

INDIGO MINERALS LLC
HOUSTON, TEXAS

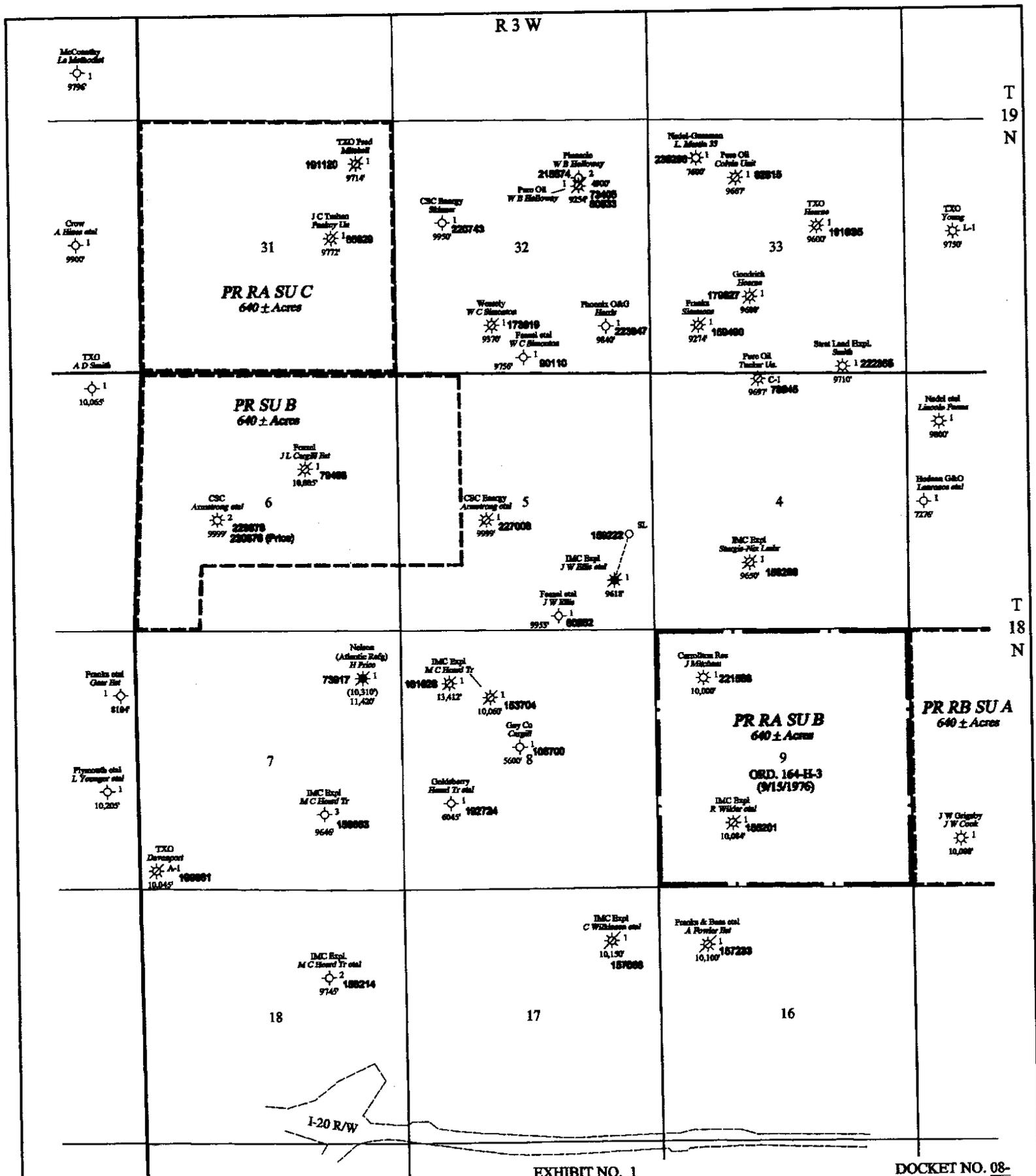
RUSTON FIELD
LINCOLN PARISH, LOUISIANA
McCRARY SAND RESERVOIR A SAND UNIT D
TO BE DISSOLVED

--- : UNIT TO BE DISSOLVED

--- : EXISTING SAND UNIT



GRAPHIC SCALE



T
19
N

T
18
N

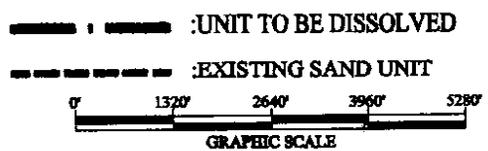
EXHIBIT NO. 1

DOCKET NO. 08-

INDIGO MINERALS LLC
HOUSTON, TEXAS

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

PRICE SAND RESERVOIR A SAND UNIT B
TO BE DISSOLVED



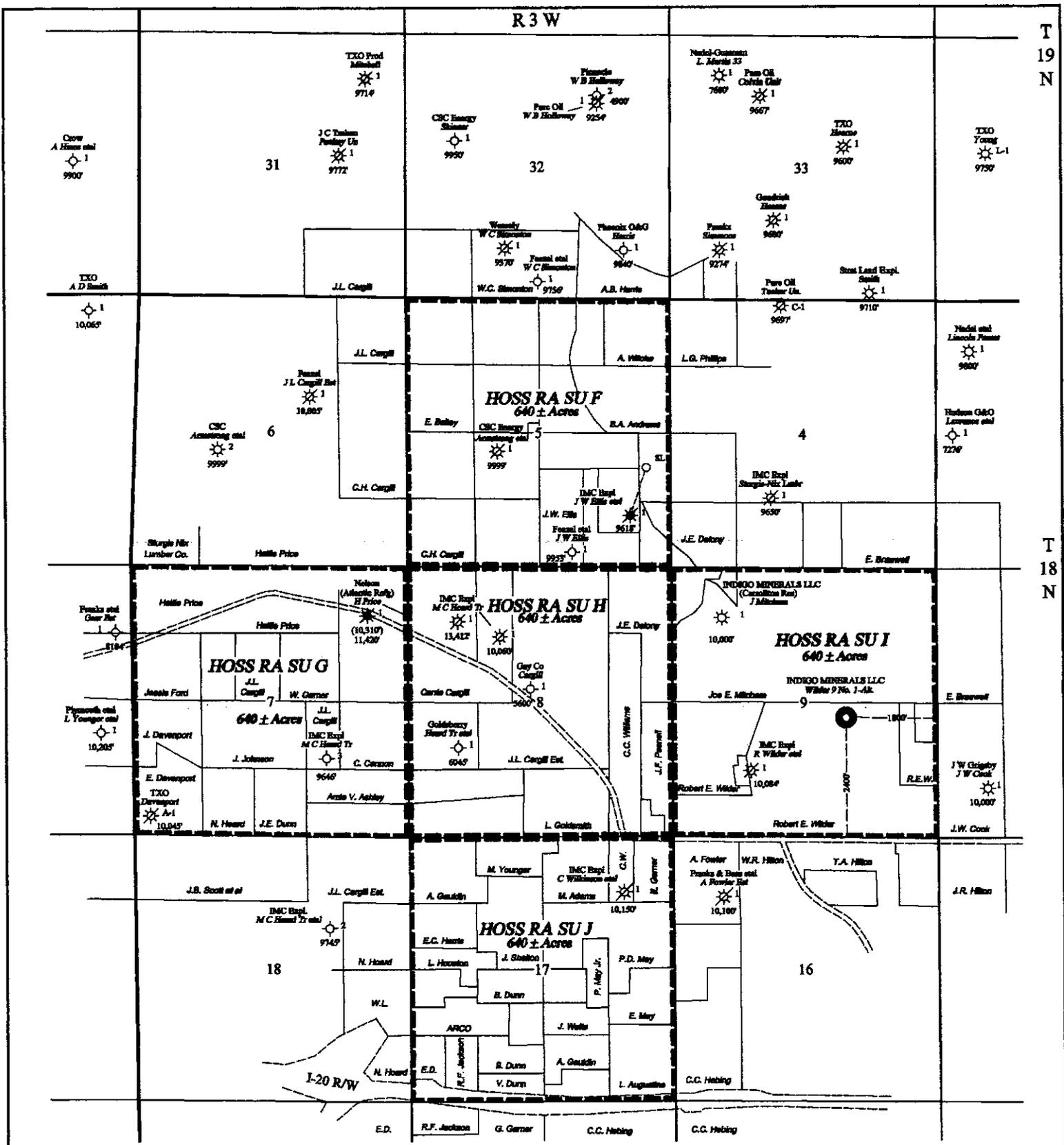


EXHIBIT NO. 1

DOCKET NO. 08-

-  :PROPOSED UNIT WELL
-  :PROPOSED SAND UNITS

INDIGO MINERALS LLC
HOUSTON, TEXAS

RUSTON FIELD
LINCOLN PARISH, LOUISIANA

PROPOSED HOSSTON RESERVOIR A SAND UNITS
F, G, H, I AND J

PROPOSED UNIT WELL FOR
PROPOSED HOSSTON RESERVOIR A SAND UNIT I

