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January 16, 2008

APPLICATION

10903-67135

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

Re: 2700' Zone, Reservoir A
Gueydan Field
Vermilion Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **MILAGRO PRODUCING, LLC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the **2700' Zone, Reservoir A**, in the **Gueydan Field**, Vermilion Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of oil and gas from the 2700' Zone, Reservoir A, such unit to be designated as 2700 RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
3. To provide that any future wells drilled to the 2700' Zone, Reservoir A, within or outside of the proposed unit, should be exempt from the spacing provisions of Statewide Order No. 29-E;

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4. 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; and
 5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 2700' Zone, Reservoir A, in the Gueydan Field, Vermilion Parish, Louisiana, is hereby defined as being that oil and gas bearing zone encountered between the depths of 2,360 feet and 3,140 feet (electrical log measurements) in the Griffin Petroleum Co. – Alliance Trust No. 37 Well, located in Section 34, Township 11 South, Range 1 West, Vermilion Parish, Louisiana.

The pre-application conference tentatively scheduled for Wednesday, January 23, 2008, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux, P.O. Box 53922, Lafayette, Louisiana 70505 (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal 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 Lafayette 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 herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Sincerely,


Randall C. Songy

RCS:smp/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Represented Parties,
and Interested Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

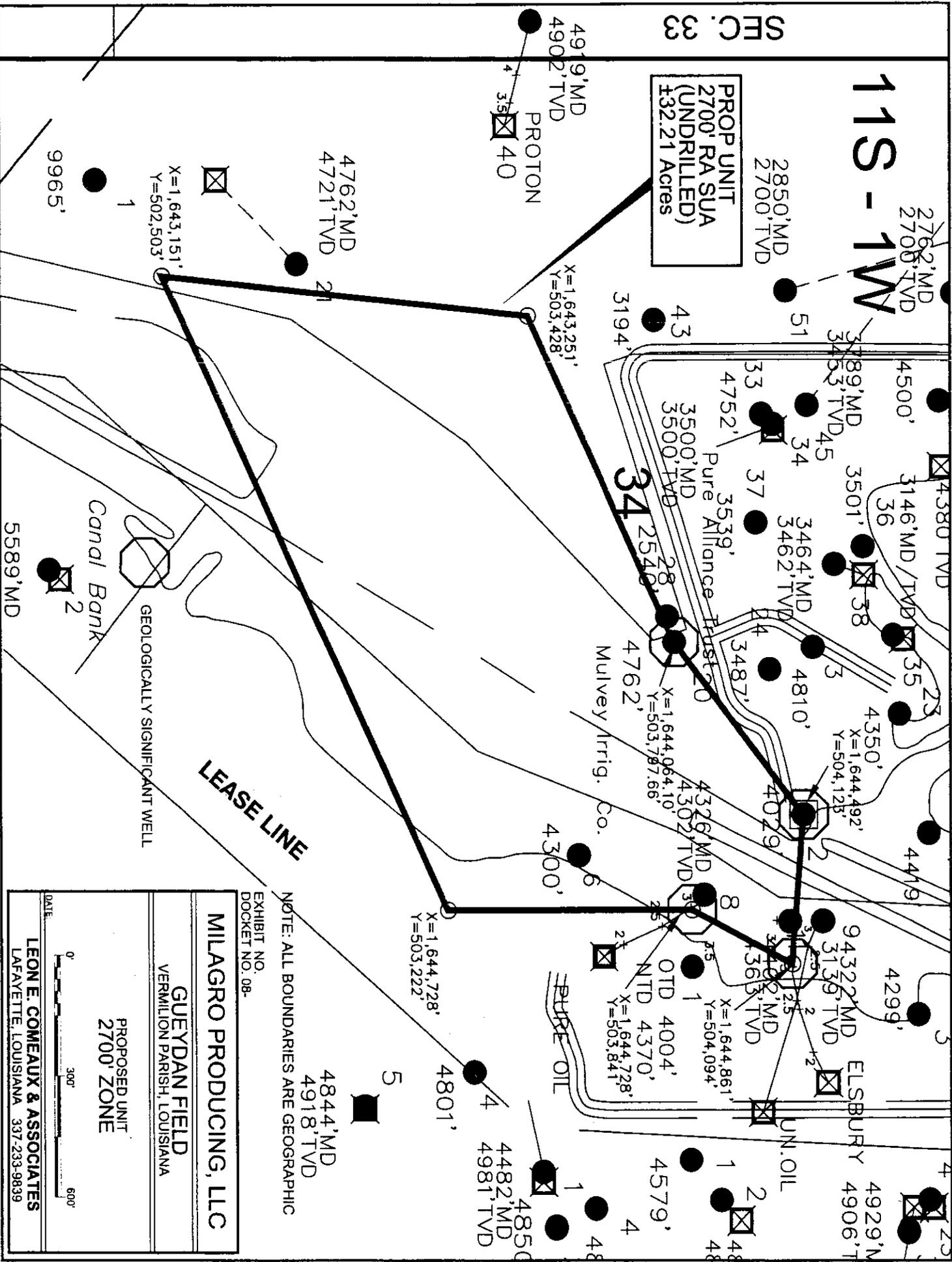
You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

11S - 1W

SFC. 33

**PROP UNIT
2700' RA SUA
(UNDRILLED)
±32.21 Acres**



LEASE LINE

GEOLOGICALLY SIGNIFICANT WELL

Candi Bank

MILAGRO PRODUCING, LLC

GUEYDAN FIELD
VERMILION PARISH, LOUISIANA

PROPOSED UNIT
2700' ZONE

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC

EXHIBIT NO.
DOCKET NO. 08-



DATE: _____
LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839