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December 13, 2007

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

Upper Hosston Formation, Reservoir A; Lower  
Hosston Formation, Reservoir B; and Cotton Valley  
Formation, Reservoir B; BELLE BOWER FIELD,  
DeSoto 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 Upper Hosston Formation, Reservoir A; the Lower Hosston Formation, Reservoir B; and to the Cotton Valley Formation, Reservoir B; all in the Belle Bower Field, DeSoto Parish, Louisiana:

## Upper Hosston Formation Reservoir A

1. To permit Applicant to drill, designate and utilize substitute unit wells for U HOSS RA SUY and for U HOSS RA SUZ at the locations shown on an attached plat.
2. To find that each of the proposed substitute unit wells is necessary to efficiently and economically drain a portion of the Upper Hosston Formation, Reservoir A, underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on the unit.
3. To designate Applicant as operator of U HOSS RA SUY and of U HOSS RA SUZ.

The Upper Hosston Formation, Reservoir A, in the Belle Bower Field, DeSoto Parish, Louisiana, is defined in Office of Conservation Order No. 312-C, effective December 16, 1977.

Lower Hosston Formation, Reservoir B; and  
Cotton Valley Formation, Reservoir B

1. To establish rules and regulations governing the exploration for and production of gas and condensate from each of these formations and reservoirs.

2. To create two (2) drilling and production units for the exploration for and production of gas and condensate from each of these formations and reservoirs, such units being shown on attached plats and being designated L HOSS RB SUA and L HOSS RB SUB and CV RB SUA and CV RB SUB.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units 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 units as may be appropriate.

5. To propose that future wells drilled to these formations and reservoirs within or outside of the units proposed herein be located no closer than 660 feet to any unit line and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit has been granted to drill to said formations and reservoirs.

6. To permit applicant to combine downhole production from the proposed units and from U HOSS RA SUY and U HOSS RA SUZ, or any combination thereof, in any well drilled on identical units in which the interests of the parties are identical in the units from which production is to be combined downhole.

7. To define the Cotton Valley Formation, Reservoir B, as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the measured depths of 8,935 feet and 9,970 feet in the Redmon Oil Company, Inc. (formerly Marshall Exploration)--Ramsey-Pace No. 1 Well, located in Section 28, Township 13 North, Range 16 West, DeSoto Parish, Louisiana.

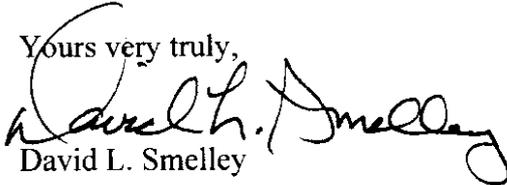
8. To consider such other matters as may be pertinent to any of these sands and formations.

The Lower Hosston Formation in Belle Bower Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 312-D, effective December 16, 1977.

Honorable James H. Welsh  
December 13, 2007  
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Any pertinent data concerning this intended application will be available for inspection at the offices of Mr. Craig C. 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.

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 intended 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 referred to above is enclosed herewith and a copy of this letter and of each 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 requested to so notify me within ten (10) calendar days after the date of this letter. In the event I am notified of the desire of any of the parties to confer concerning these proposals, a conference will be held at 10:00 a.m. on December 19, 2007, at the offices of the undersigned. If no timely request for a conference is received, no conference will be held.

Yours very truly,  
  
David L. Smelley

--- Attorney for Indigo Minerals LLC

DLS:dp  
Enclosures

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

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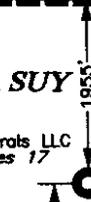
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U HOSS RA SUY  
312-C-4

Natural G&O  
M R Speights  
1  
6629'

Realitos  
Wilamette  
1  
7806'

Indigo Minerals LLC  
W Holmes 17  
1



18

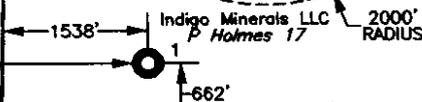
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15

U HOSS RA SUZ  
312-C-4

Sabine Expl  
P Holmes  
1  
7806'

Indigo Minerals LLC  
P Holmes 17  
1



T 13 N R 16 W

U HOSS RA SUW  
312-C-3

Natural G&O  
P H Holmes  
1  
6743'

Zadeck et al  
Wilamette-Holmes  
1  
7591'

Belchic et al  
Holmes  
1  
6615'



19

20

21

22

U HOSS RA SUV  
312-C-3

U HOSS RA SUX  
312-C-3

Zadeck et al  
Harrison-Brown  
1  
7474'

U HOSS RA SUS  
312-C-2

U HOSS RA SUR  
312-C-2

U HOSS RA SUD  
312-C

U HOSS RA SUC  
312-C

U HOSS RA SUB  
312-C

U HOSS RA SUA  
312-C

Comstock  
Harrison  
/ 30  
7  
312-C-10

Comstock  
Bagley  
1  
7250'  
SUPPL 312-C-2

R Lacy  
1  
6654'

INDIGO MINERALS LLC  
HOUSTON, TEXAS

### BELLE BOWER FIELD

DE SOTO PARISH, LOUISIANA

PROPOSED SUBSTITUTE UNIT WELL FOR U HOSS RA SUY  
PROPOSED SUBSTITUTE UNIT WELL FOR U HOSS RA SUZ



- :PROPOSED SUBSTITUTE UNIT WELLS
- :EXISTING ALTERNATE UNIT WELLS
- :EXISTING UNIT WELLS

----- :EXISTING BELLE BOWER U HOSS RA UNITS



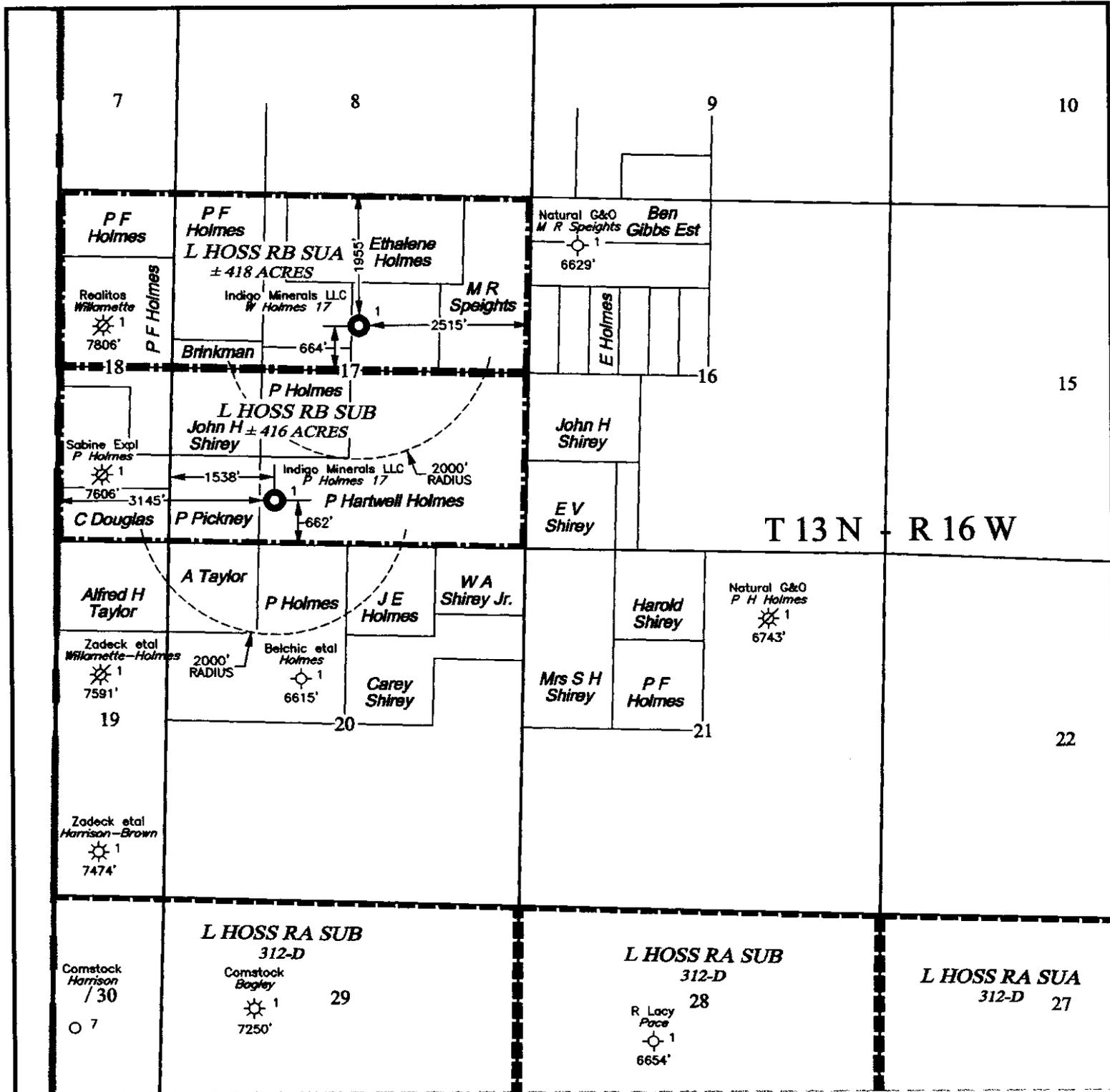
:EXISTING SUBSTITUTE UNIT WELLS



GRAPHIC SCALE

NOTE: ONLY WELLS > 5000' DEEP SHOWN.

GEOLOGIST: CRAIG C. BARCLAY



**INDIGO MINERALS LLC**  
HOUSTON, TEXAS

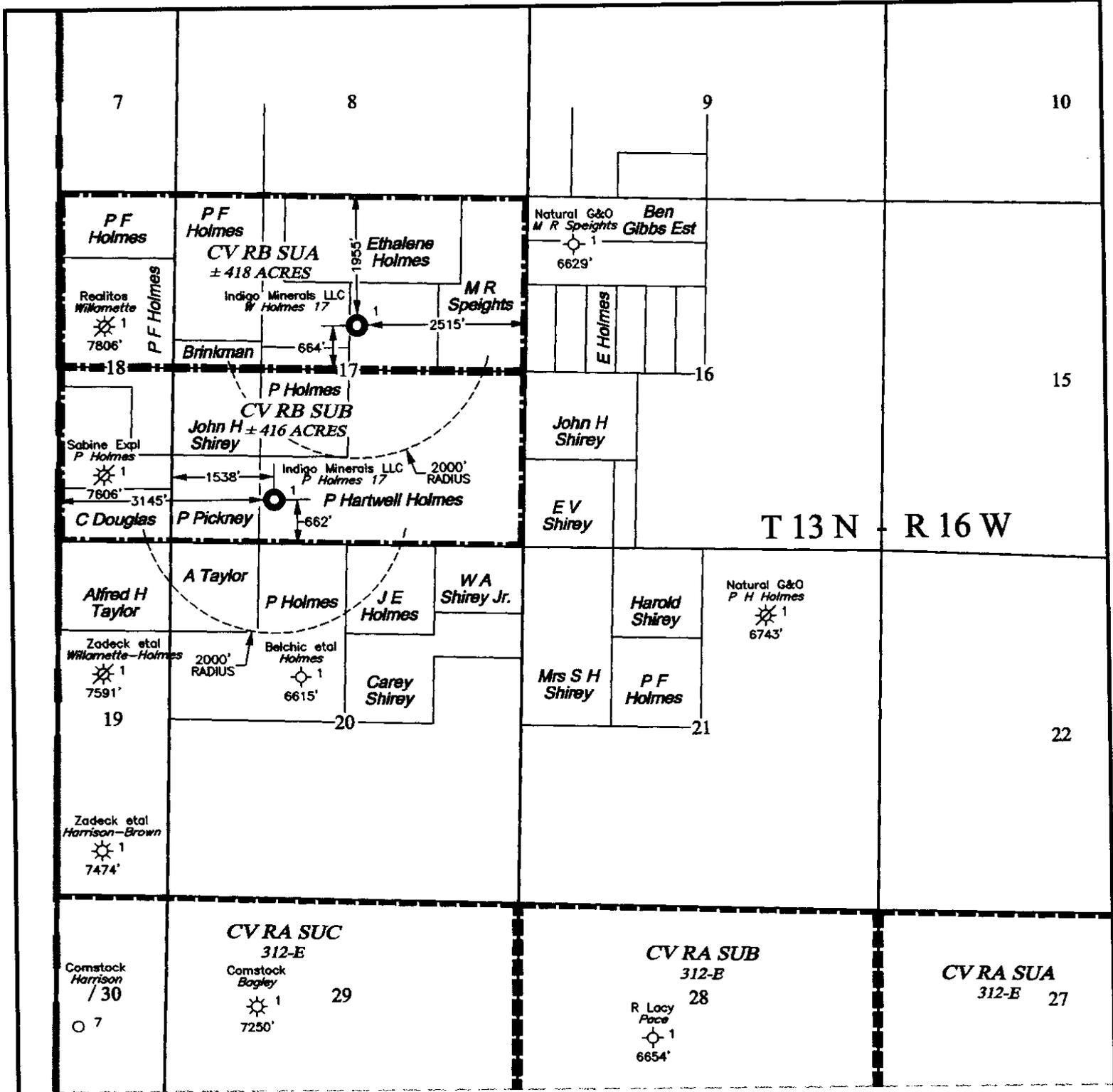
**BELLE BOWER FIELD**  
DE SOTO PARISH, LOUISIANA  
**PROPOSED L HOSS RB SUA**  
**PROPOSED L HOSS RB SUB**

- :PROPOSED UNIT WELLS
- :EXISTING ALTERNATE UNIT WELLS
- :EXISTING UNIT WELLS
- :EXISTING BELLE BOWER L HOSS RA UNITS
- :PROPOSED BELLE BOWER L HOSS RB UNITS
- :EXISTING SUBSTITUTE UNIT WELLS



GEOLOGIST: CRAIG C. BARCLAY

NOTE: ONLY WELLS > 5000' DEEP SHOWN.



**INDIGO MINERALS LLC**  
HOUSTON, TEXAS

**BELLE BOWER FIELD**  
DE SOTO PARISH, LOUISIANA  
PROPOSED CV RB SUA  
PROPOSED CV RB SUB



- :PROPOSED UNIT WELLS
- :EXISTING ALTERNATE UNIT WELLS
- :EXISTING UNIT WELLS



- :EXISTING BELLE BOWER CV RA UNITS
- :PROPOSED BELLE BOWER CV RB UNITS
- :EXISTING SUBSTITUTE UNIT WELLS



GEOLOGIST: CRAIG C. BARCLAY

NOTE: ONLY WELLS > 5000' DEEP SHOWN.