

HARGROVE, SMELLEY, STRICKLAND & LANGLEY

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
T. ISSAC HOWELL
MAGAN F. CAUSEY
JULIANNA PETCHAK PARKS
CHAD E. SEPULVADO
B. LEE CARR, JR.

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

July 1, 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.

Hosston Formation, Reservoir A; Cotton Valley Formation, Reservoir A; and Haynesville Zone, Reservoir B; BETHANY-LONGSTREET FIELD, DeSoto Parish, Louisiana.

Dear Sir:

MAINLAND RESOURCES, INC. ("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 Hosston Formation, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Haynesville Zone, Reservoir B; all in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such unit being shown on an attached plat and being designated HOSS RA SU100.
2. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SU111.
3. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir B, such unit being shown on an attached plat and being designated HA RB SUU.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed 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.
5. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
6. To define the Haynesville Zone, Reservoir B, as to the proposed additional unit HA RB SUU, as the stratigraphic equivalent of the gas and condensate bearing interval encountered

between the measured depths of 10,260 feet and 11,860 feet in the Bidas Energy USA, Inc.--David Mason 27 No. 1 Well, located in Section 27, Township 13 North, Range 15 West, DeSoto Parish, Louisiana.

7. To approve the downhole combination of production from the Hosston Formation, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Haynesville Zone, Reservoir B, or any combination thereof, in any well drilled on HOSS RA SU100, CV RA SU111 and HA RB SUU in which the interests in the units from which production is combined downhole are identical.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 289, effective October 1, 1954, as amended and supplemented by the Order No. 289-A series of Orders, and of all applicable Statewide Orders, to the proposed additional unit for the Hosston Formation, Reservoir A.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 289-J, effective March 1, 1974, as amended and supplemented by the Order No. 289-J series of Orders, and of all applicable Statewide Orders, to the proposed additional unit for the Cotton Valley Formation, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 289-R-1, effective April 29, 2008, and of all applicable Statewide Orders, to the proposed additional unit for the Haynesville Zone, Reservoir B.

11. To consider such other matters as may be pertinent to any of these proposals.

The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977.

The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Order No. 289-J-1, effective April 14, 1977.

The Haynesville Zone, Reservoir B, in the Bethany-Longstreet Field, was defined in Office of Conservation Order No. 289-R-1, effective April 29, 2008.

Any pertinent data concerning this 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 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.

By letter dated June 19, 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 set

Honorable James H. Welsh
July 1, 2008
Page 3

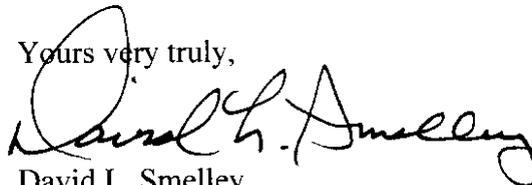
July 17, 2008, as the tentative date for the pre-application conference. No conference request was received; accordingly, no pre-application conference will be held.

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 (which are identical to the unit plats attached to the pre-application notice) 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 each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

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 Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

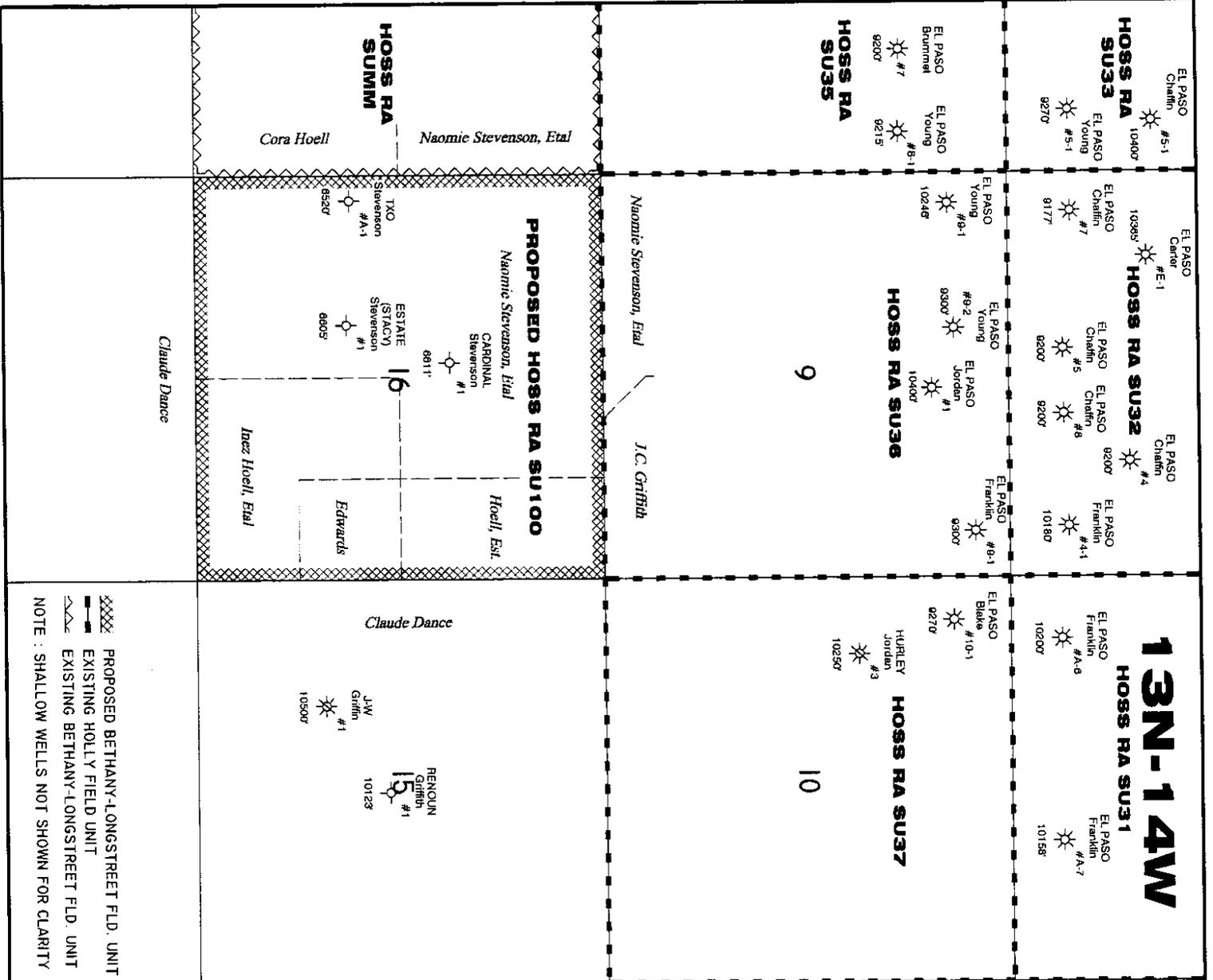


David L. Smelley
Attorney for Mainland Resources, Inc.

--

DLS:dp
Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Mike Newport (w/encls.)
Mr. John Hyatt (w/encls.)
Mr. Craig Barclay (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)



PROPOSED BETHANY-LONGSTREET FLD. UNIT
 EXISTING HOLLY FIELD UNIT
 EXISTING BETHANY-LONGSTREET FLD. UNIT
 NOTE : SHALLOW WELLS NOT SHOWN FOR CLARITY

MAINLAND RESOURCES, INC.
BETHANY-LONGSTREET FIELD
 DESOTO PARISH, LOUISIANA

PLAT SHOWING
PROPOSED HOSS RA SU 100

0' 500' 2000' 4000'

DOCKET NO. 08- EXHIBIT NO.1

