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July 16, 2008

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

Re: Marginulina Vaginata Zone, Reservoir D
North Parcerdue Field
Vermilion Parish, Louisiana

Application is hereby made on behalf of **WALTER OIL & GAS CORPORATION** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Marginulina Vaginata Zone, Reservoir D, in the North Parcerdue Field, Vermilion Parish, Louisiana, said proposed unit designated MARG V RD SUA, as shown on the plat attached hereto and made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Walter Oil & Gas Corporation as operator of the proposed unit.
4. To designate its Richard No. 1 Well as unit well for the proposed unit.
5. To provide that any future substitute and/or alternate unit wells drilled to the Marginulina Vaginata Zone, Reservoir D, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
6. 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 changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
7. To consider such others matters as may be pertinent.

July 16, 2008

The Marginulina Vaginata Zone, Reservoir D, in the North Parcperdue Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 14,842 feet and 14,997 feet (electrical log measurements) in the Walter Oil & Gas Corporation – Richard No. 1 Well, located in Section 41, Township 12 South, Range 4 East, Vermilion Parish, Louisiana.

Any pertinent data, including well logs not available from the Office of Conservation, may be obtained **AT THE COST OF THE REQUESTING PARTY** from Mr. Art Christy of W. H. Robbins & Associates, LLC, 302 LaRue France, Lafayette, Louisiana 70508, Telephone Number (337) 232-5004.

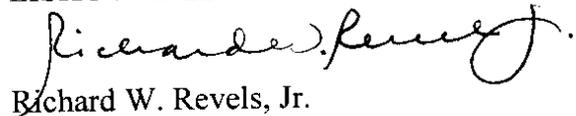
Pursuant to the Rules of Procedure, a pre-application conference was held on July 16, 2008, in Lafayette, Louisiana, at which the parties on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the unit being requested. Several questions were asked and answered. The conference was then adjourned. Opposition at the hearing is possible, but not expected.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal, the conference attendance list, and the list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, the 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 furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$755.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

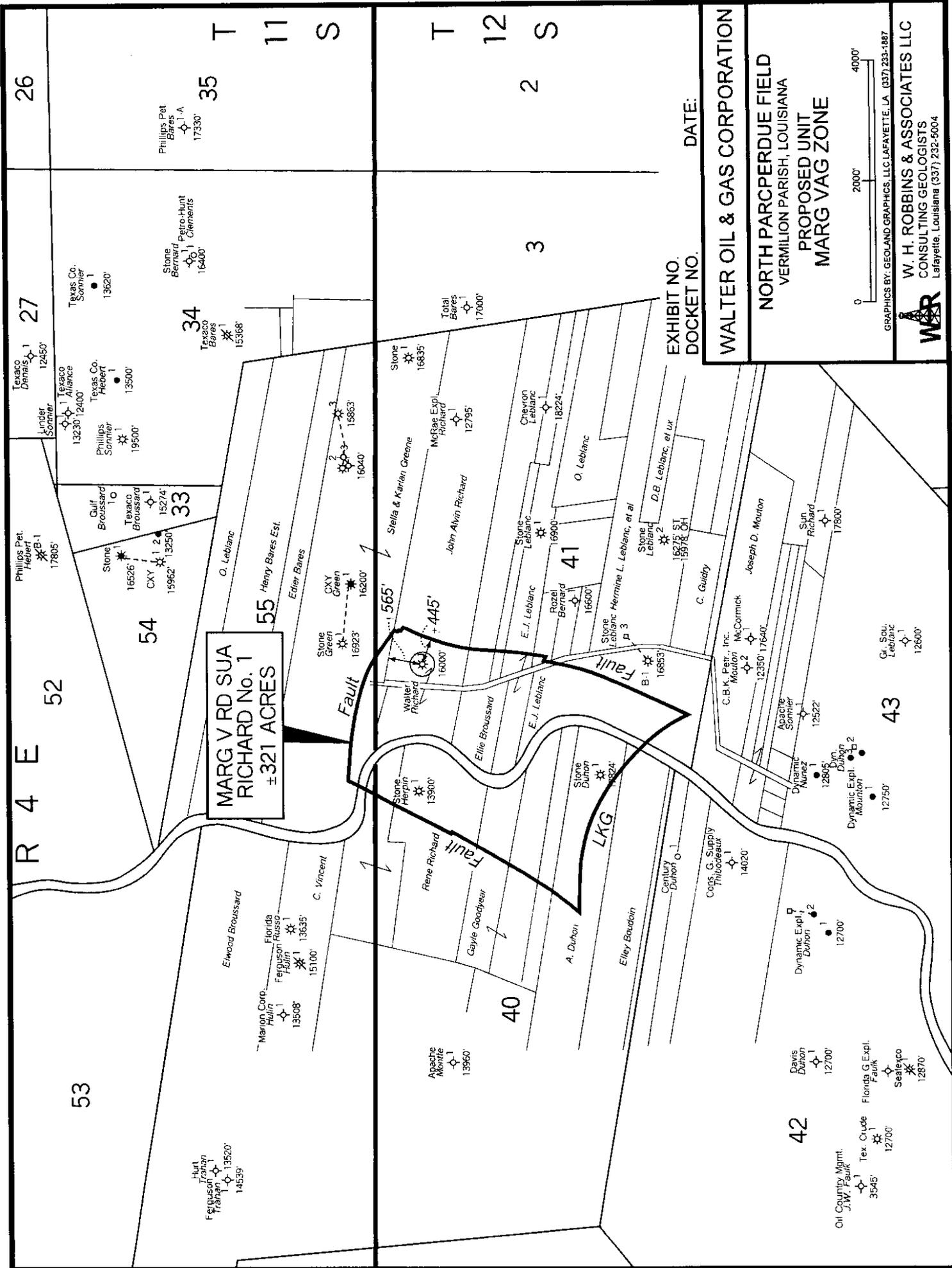
Very truly yours,

LISKOW & LEWIS


Richard W. Revels, Jr.

RWRjr:dbf
Enclosures

cc: Mr. Richard Hudson, Lafayette District Manager
cc: Interested Owners, Represented Parties and Interested Parties

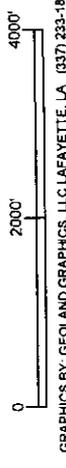


**MARG V RD SUA
RICHARD No. 1
±321 ACRES**

EXHIBIT NO. _____
DOCKET NO. _____

DATE: _____

WALTER OIL & GAS CORPORATION
NORTH PARCERDUE FIELD
VERMILION PARISH, LOUISIANA
**PROPOSED UNIT
MARG VAG ZONE**



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