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August 14, 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.

UL-2 Zone, Reservoir A, CLAM BAY FIELD,
Plaquemines Parish, Louisiana.

Dear Sir:

BEPCO, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the UL-2 Zone, Reservoir A, in the Clam Bay Field, Plaquemines Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the UL-2 Zone, Reservoir A.
2. To create one (1) drilling and production unit for the exploration for and production of gas and condensate from the UL-2 Zone, Reservoir A, such unit being shown on the attached plat and being designated UL-2 RA SUA.
3. 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.
4. To designate an operator of, and unit well for, the proposed unit as may be appropriate.
5. To propose that future wells drilled to the UL-2 Zone, Reservoir A, within or outside of the unit proposed herein be located in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To define the UL-2 Zone, Reservoir A, as that interval encountered between the measured depths of 11,340 feet and 11,880 feet in the Arco Oil & Gas--State Lease 7041 No. 1 Well, located in Section 17, Township 17 South, Range 16 East, Plaquemines Parish, Louisiana.
7. To consider such other matters as may be pertinent to the UL-2 Zone, Reservoir A.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana

Honorable James H. Welsh
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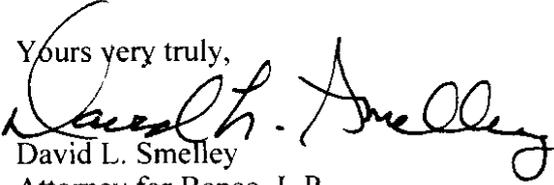
70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated July 31, 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 August 20, 2008, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, 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 the unit plat showing the unit proposed to be created (which is identical to the plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to 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 plat, 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 Clam Bay 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.

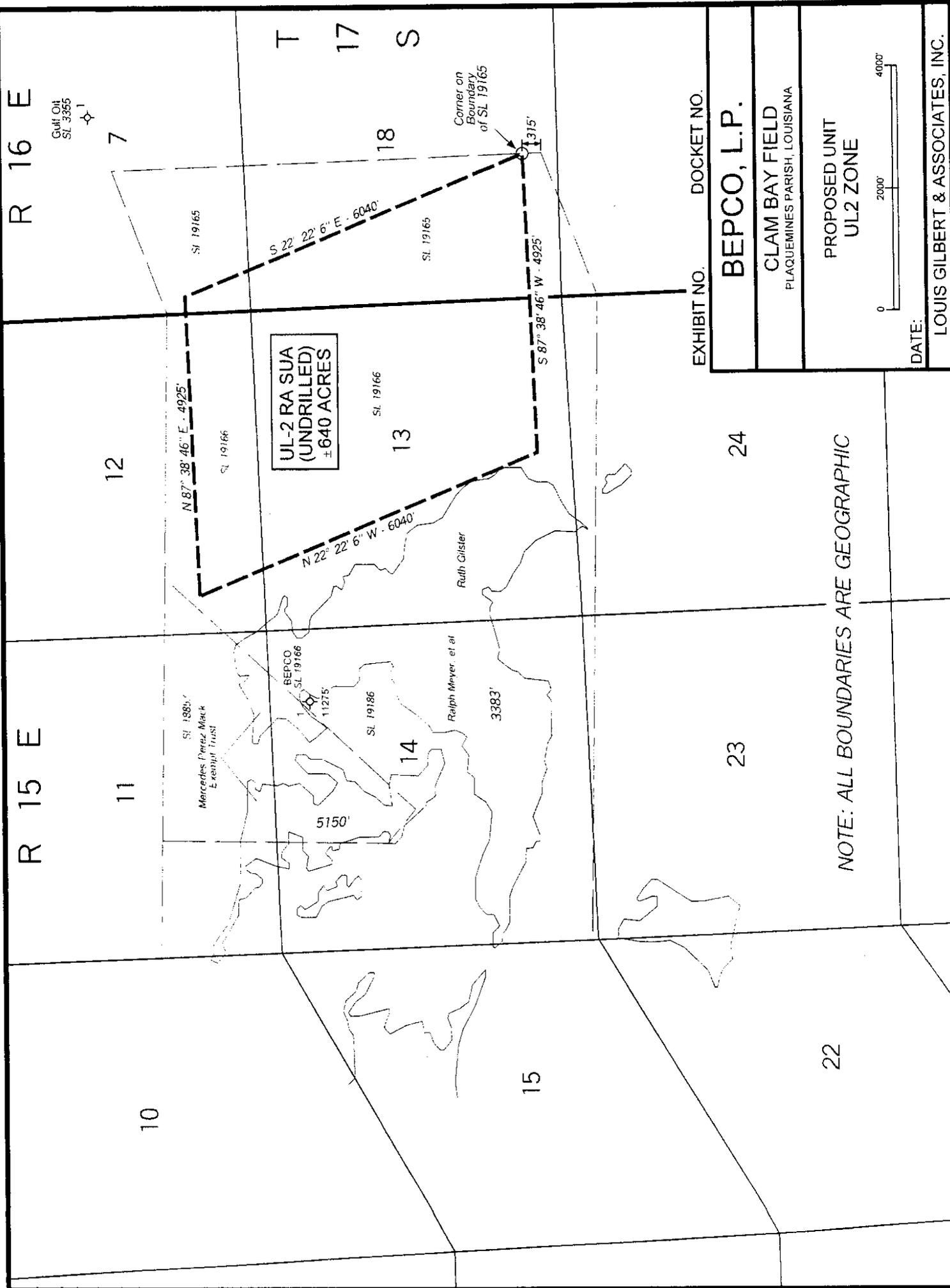
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley
--- Attorney for Bepco, L.P.

DLS:dp

Enclosures

cc: Mr. Richard Hudson (w/encls.)
Mr. Monty Montgomery (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)



**UL-2 RA SUA
(UNDRILLED)
± 640 ACRES**

EXHIBIT NO. DOCKET NO.

BEPCO, L.P.
CLAM BAY FIELD PLAQUEMINES PARISH, LOUISIANA
PROPOSED UNIT UL2 ZONE
DATE:
LOUIS GILBERT & ASSOCIATES, INC.

NOTE: ALL BOUNDARIES ARE GEOGRAPHIC