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OF COUNSEL
WILLIAM G. CONLY

September 22, 2008

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Smackover Zone, Reservoir C, CADDOPINE
ISLAND FIELD, Caddo Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("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 Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, Caddo Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a horizontal well as the substitute unit well for SMK RC SUE at the location shown on the attached plat, and to approve an exception to the spacing provisions of Office of Conservation Order No. 122-X-1, effective August 15, 2006, for all productive portions of the wellbore located at least 330 feet from a unit boundary, with the productive portions of the wellbore to be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus of the well in the Smackover Zone, Reservoir C.
2. To find that the proposed substitute unit well is necessary and in the interest of conservation.
3. To confirm Applicant as operator of SMK RC SUE.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 122-X-1, effective August 15, 2006.

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Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Louis 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 pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

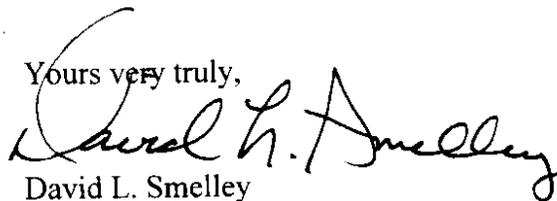
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid 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 this letter, and of the attached plat, 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.

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 Caddo-Pine Island 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 Matador Production Company

DLS:dp

Enclosures

cc: Mr. James C. Broussard (w/encls.)
Mr. Cody Hubbell (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

T
20
N

31

R15W

32

34

T
19
N

6

SMK RC SU E

5

SMK RC SU D

4

APPROXIMATE
POINT OF ENTRY
1502' FSL
1017' FEL
MATADOR
HALL 5
SURF. LOCN.
1500' FSL
1017' FEL
10699

MATADOR
HALL 5
(PROP.
HORIZONTAL)
330' FNL
1017' FEL

SMK RC SU J

7

SMK RC SU F

8

MATADOR
HALL 9
1

SMK RC SU G

9

SMK RC SU L

18

17

SMK RC SU I

16

SMK RC SU K

19

20

EXHIBIT No.

DOCKET No. 08-

MATADOR PRODUCTION COMPANY

CADDO PINE ISLAND FIELD
CADDO PARISH, LOUISIANA

PROPOSED SUBSTITUTE UNIT WELL PLAT

SMK RC SU E

0' 2000' 4000' 6000'

DATE:

CADDOPINESEC5-08.DGN

Geology: LOUIS GILBERT & ASSOCIATES, INC.

- - - - - PROPOSED UNIT
- - UNIT WELL
- △ - PROPOSED SUBSTITUTE UNIT WELL

WELLS SHALLOWER THAN 6500' REMOVED FROM BASE.