

Honorable James H. Welsh  
Commissioner of Conservation  
Department of Natural Resources  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: Z Sand, Reservoir B  
**LAKE BARRE FIELD**  
Terrebonne Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilcorp Energy Company to the Commissioner of Conservation 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 relating to the Z Sand, Reservoir B, in the Lake Barre Field, Terrebonne Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Z Sand, Reservoir B, in the Lake Barre Field, Terrebonne Parish, Louisiana.
2. To create a single drilling and production unit for this sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate Hilcorp Energy Company as operator of the Z RB SUA.
4. To designate Hilcorp's LB U26 No. 11 (ST) Well as the unit well for the Z RB SUA and to designate Hilcorp's LB U23 No. 9 (ST) Well as the alternate unit well for the Z RB SUA.
5. To provide that any future replacement and/or alternate wells for said unit shall be exempt from the spacing provisions of Statewide Order No. 29-E.
6. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
7. To discuss any other matters that may be pertinent to this application.

The Z Sand, Reservoir B, in the Lake Barre Field, Terrebonne Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 15,396' and 15,444' electric log measured depths (15,069' to 15,114' true vertical depths) in the Hilcorp Energy Company - LB U26 No. 11 (ST) Well, located in Section 43, Township 21 South, Range 19 East, Terrebonne Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Lake Barre Field, Terrebonne Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Lake Barre Field, Terrebonne Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on December 20, 2007 at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister, representing Hilcorp Energy Company, concerning the nature and purpose of the conference and the bases for the applicant's proposed unit. It was also noted that Hilcorp had recently drilled their LB U23 No. 9 (ST) Well which was logged after the preapplication notice was filed. This new data increased the size of the applicant's proposal from ±298 Acres to ±311 Acres. The applicant will request that the recently drilled LB U23 No. 9 (ST) Well be designated as an alternate unit well as indicated on the enclosed revised plat.

Mr. Greg Cenac, representing the Cenac Property, suggested moving the western boundary further west and that they were still studying the matter.

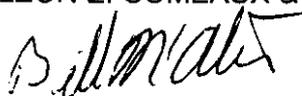
Mr. Jason Talbot, representing the State Mineral Board, stated that he would support the applicant's proposal.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such 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, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hilcorp Energy Company, in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister

BM/cu  
Enclosures  
cc: Mr. Richard Hudson  
Office of Conservation  
825 Kaliste Saloom Rd.  
Brandywine III, Suite 220  
Lafayette, Louisiana 70508

Interested Parties, Interested  
Owners and Represented Parties

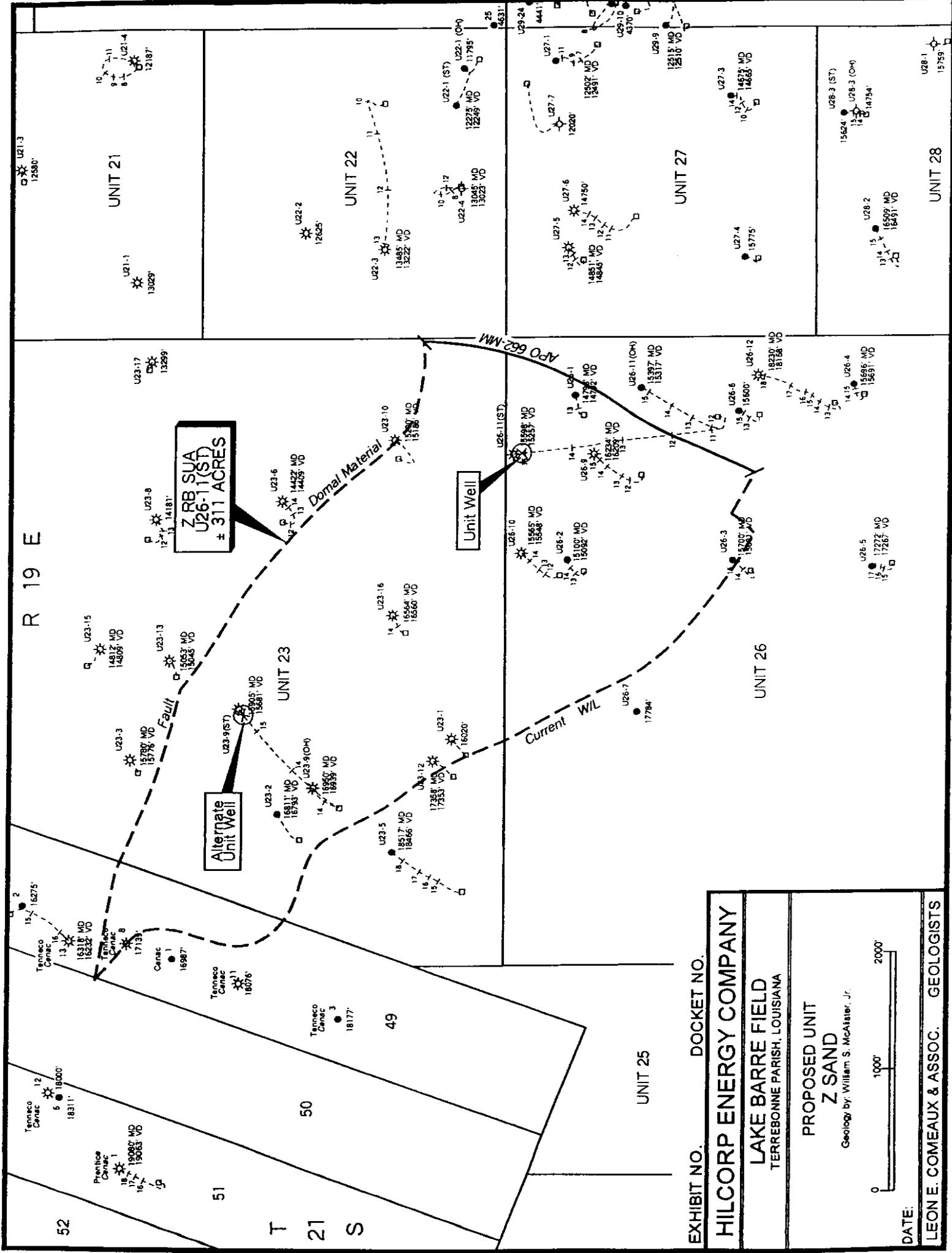


EXHIBIT NO.	DOCKET NO.
<b>HILCORP ENERGY COMPANY</b>	
LAKE BARRE FIELD TERREBONNE PARISH, LOUISIANA	
PROPOSED UNIT <b>Z SAND</b> Geology by: William S. McAtaster, Jr.	
DATE:	
LEON E. COMEAUX & ASSOC. GEOLOGISTS	