

January 7, 2008

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

RE: Lower 14000' Zone, Reservoir B  
**CAILLOU ISLAND 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 Lower 14000' Zone, Reservoir B, in the Caillou Island Field, Terrebonne Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Lower 14000' Zone, Reservoir B, in the Caillou Island Field, Terrebonne Parish, Louisiana.
2. To create a single drilling and production unit for this zone 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 L 14000' RB SUA.
4. To designate Hilcorp Energy Company's S/L 1249 No. 111 Well as the unit for the L 14000' RB SUA.
5. To provide that the Lower 14000' Zone, Reservoir B, should 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 Lower 14000' Zone, Reservoir B, in the Caillou Island Field, Terrebonne Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 11,796' and 11,908' (electrical log measurements) in the Hilcorp Energy Company - S/L 1249 No. 111 Well, located Offshore, 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 Caillou Island 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 Caillou Island 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 Mr. Bill McAlister at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337-233-9839).

In compliance with the Rules of Procedure, a preapplication notice was given, but no request for a conference was received, and therefore, none was held.

There are attached hereto and made a part hereof a plat outlining the proposed unit 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 and proposed unit plat (being the same plat attached to the December 20, 2007 notice) are being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided 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, 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



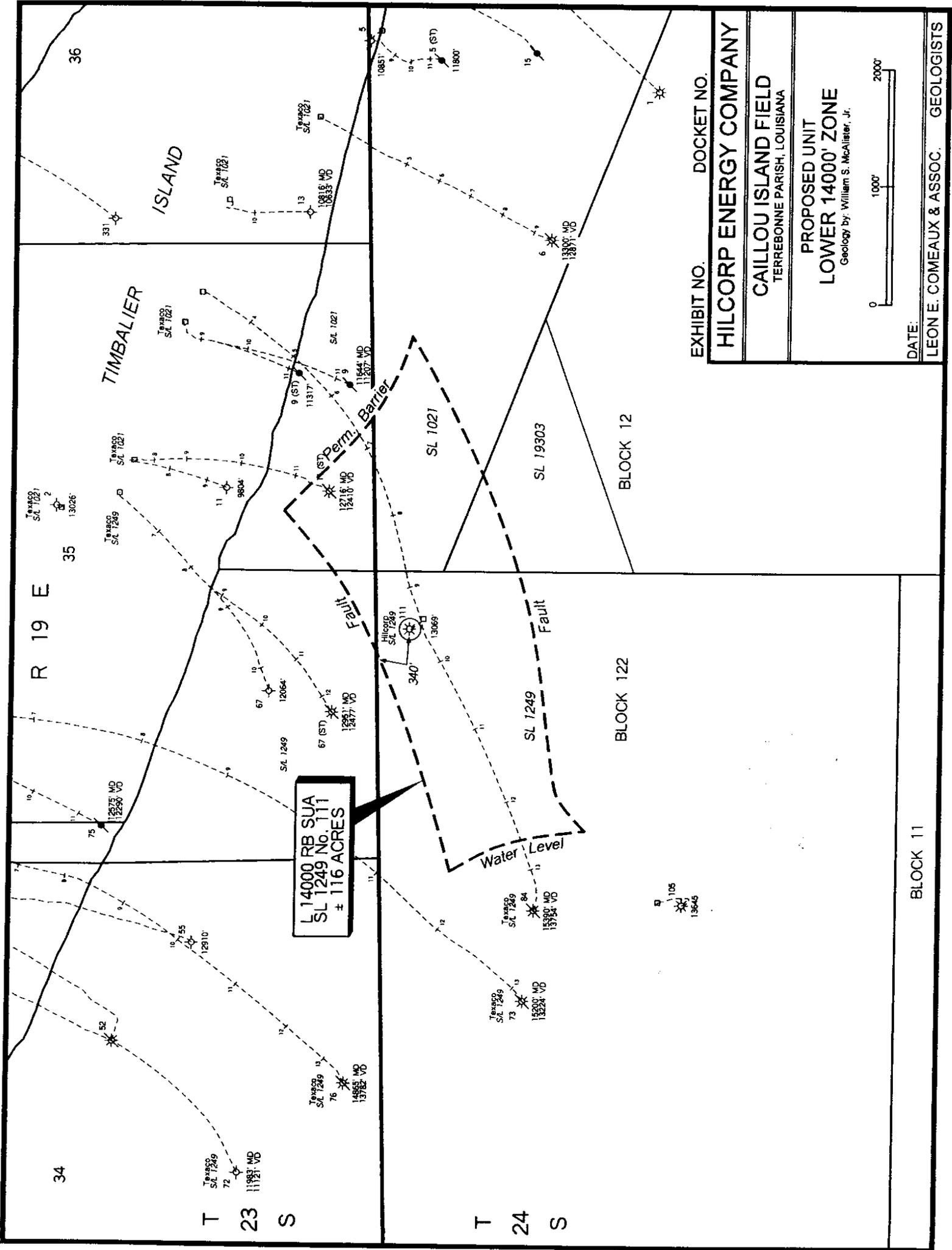
Bill McAlister

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



L 14000 RB SUA  
 SL 1249 No. 111  
 ± 116 ACRES

EXHIBIT NO.	DOCKET NO.
<b>HILCORP ENERGY COMPANY</b>	
CAILLOU ISLAND FIELD TERREBONNE PARISH, LOUISIANA	
<b>PROPOSED UNIT</b> LOWER 14000' ZONE <small>Geology by: William S. McAllister, Jr.</small>	
DATE:	
LEONE E. COMEAUX & ASSOC.      GEOLOGISTS	

BLOCK 11