

February 26, 2008

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

RE: R-U Zone, Reservoir A
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 R-U Zone, Reservoir A, in the Lake Barre Field, Terrebonne Parish, Louisiana.

1. To dissolve the R-U RA SUA, as established by Office of Conservation Order No. 662-RR, effective December 6, 2005, in the Lake Barre Field and simultaneously therewith, to create a revised unit for the exploration for and production of gas and condensate from the R-U Zone, Reservoir A, in the Lake Barre Field, Terrebonne Parish, Louisiana.
2. 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 R-U RA SUA.
4. To designate the Hilcorp Energy Company - LB U29-39 Well as the unit well.
5. To designate the Hilcorp Energy Company - LB U27-3 Well and the Hilcorp Energy Company - LB U28-7 as alternate unit wells.
6. To provide that the operator of the R-U RA SUA can produce the unit allowable from the unit well, the alternate unit wells or any combination thereof.
7. To redefine the top of the R-U Zone, Reservoir A as occurring at the depth of 15,167' electrical log measurement in the Hilcorp Energy Company - LB U28-7 Well, located in Township 21 South, Range 19 East, Terrebonne Parish, Louisiana.
8. To provide that the Commissioner may reclassify the reservoir by a supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.

9. To discuss any other matters that may be pertinent to this application.

The R-U Zone, Reservoir A, in the Lake Barre Field, Terrebonne Parish, Louisiana, is currently defined in Office of Conservation Order No. 662-RR, effective December 6, 2005.

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 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 February 13, 2008 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

