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April 1, 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.

8800' Cotton Valley Sand, Reservoir A, MOUNT SINAI
FIELD, Claiborne Parish, Louisiana.

Dear Sir:

RABALAIS OIL & GAS, INC. ("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 8800' Cotton Valley Sand, Reservoir A, in the Mount Sinai Field, Claiborne Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the 8800' Cotton Valley Sand, Reservoir A.
2. To create eight (8) drilling and production units for the exploration for and production of oil and gas from the 8800' Cotton Valley Sand, Reservoir A, such units being shown on an attached plat and being designated 8800 CV RA SUA through 8800 CV RA SUH.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate an operator of, and unit wells for, the proposed units as may be appropriate.
5. To propose that future wells drilled to the 8800' Cotton Valley Sand, Reservoir A, within or outside of the units proposed herein, be located in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To define the 8800' Cotton Valley Sand, Reservoir A, as that oil and gas bearing sand encountered between the measured depths of 8,830 feet and 8,850 feet in the Rabalais Oil & Gas, Inc.--Brown No. 1 Well (SN 236817), located in the Southwest Quarter of Section 35, Township 23 North, Range 5 West, Claiborne Parish, Louisiana.
7. To consider such other matters as may be pertinent.

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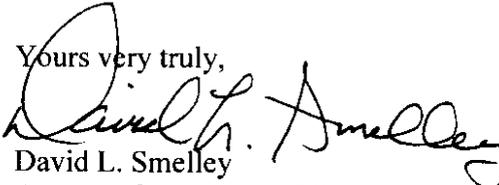
Pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date 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 March 19, 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 April 10, 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 units 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 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 Mount Sinai 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 Rabalais Oil & Gas, Inc.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Fred Rabalais (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

T 23 N - R 5 W

X=1,890,000

Pennzoil Sale
1
10,522'

27

26

25

Pennzoil Shackelford Est
1
10,722'

Pennzoil Gray etal

Key Prod Sale
1
10,450'

Y=830,000

Pennzoil Bouchillon
1
10,995'

Fortune G&O
2nd P D Bapt Ch
1
11,000'

8800 CV RA SUA
160± ACRES

8800 CV RA SUB
160± ACRES

8800 CV RA SUC
160± ACRES

8800 CV RA SUD
160± ACRES

8800 CV RA SUE
160± ACRES
Hunt Forest Products, Inc

8800 CV RA SUF
160± ACRES
Scott Allee Ferguson, etal

8800 CV RA SUG
160± ACRES
Sally Rockhold Martin

8800 CV RA SUH
160± ACRES
Sally Rockhold Martin

34

35

36

Woods & Deas Jones
1
10,600'

Y=820,000

T 22 N - R 5 W

RABALAIS OIL AND GAS, INC.
FORT WORTH, TEXAS

MOUNT SINAI FIELD
CLAIBORNE PARISH, LOUISIANA

PROPOSED 8800' COTTON VALLEY SAND RESERVOIR A UNITS
8800 CV RA SUA thru 8800 CV RA SUH

----- : PROPOSED UNITS ⊙ : UNIT WELLS

GEOLOGIST: JOE B. ADAMS



ONLY WELLS >6000' TD SHOWN