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April 17, 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.

Lower Textularia L-1 Sand, Reservoir A, BAYOU
SAUVEUR FIELD, Terrebonne Parish, Louisiana.

Dear Sir:

MUSTANG ENERGY, L.C. ("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 Lower Textularia L-1 Sand, Reservoir A, in the Bayou Sauveur Field, Terrebonne Parish, Louisiana:

1. To permit Applicant to complete, designate and utilize its Terrebonne Parish School Board No. 2 Well, located as shown on the attached plat, as a substitute unit well for L TEX L-1 RA SUA.
2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the Lower Textularia L-1 Sand, Reservoir A, underlying L TEX L-1 RA SUA which cannot be efficiently and economically drained by any existing well on such unit.
3. To confirm Applicant as Operator of L TEX L-1 RA SUA.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Textularia L-1 Sand, Reservoir A, in the Bayou Sauveur Field, Terrebonne Parish, Louisiana, was defined in Office of Conservation Order No. 940-H, effective October 22, 1991.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person desiring to inspect 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

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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.

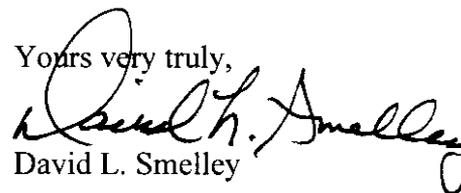
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

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 Lafayette 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 the attached 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 Bayou Sauveur 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.

A check payable to the Office of Conservation and covering the application fee is enclosed.

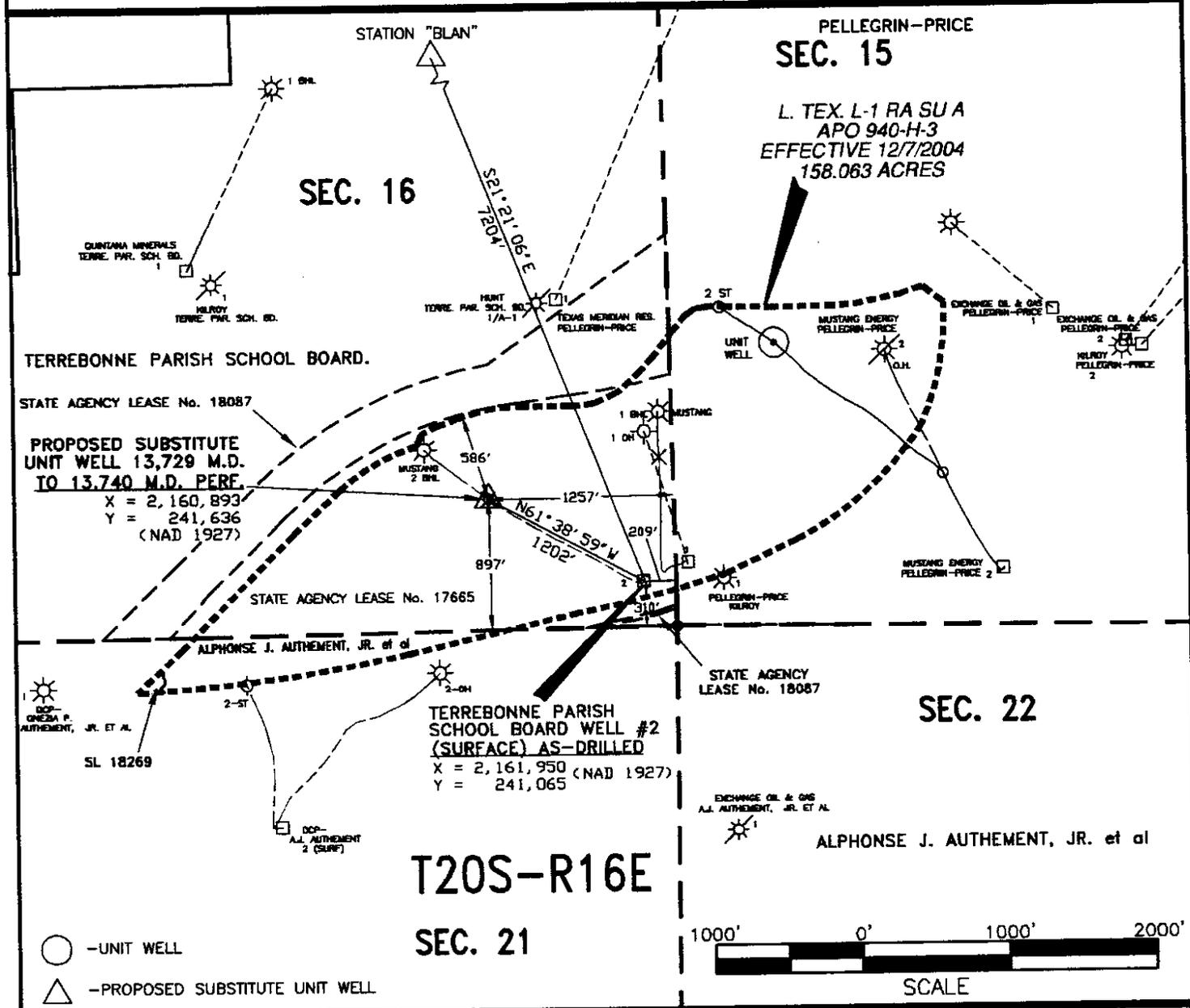
Yours very truly,


David L. Smelley

-- Attorney for Mustang Energy, L.C.

DLS:dp
Enclosures

cc: Mr. Richard D. Hudson (w/encls.)
Mr. Bruce Davis (w/encls.)
Mr. Robert Schroeder (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)



FROM USC&GS STATION "BLAN" GO S21°21'06"E - 7204' TO THE TERREBONNE PARISH SCHOOL BOARD NO. 2 (SURFACE LOACTION) LOCATED IN SECTION 16 OF T20S-R16E; THENCE N61°38'59"W - 1202' TO THE PROPOSED SUBSTITUTE UNIT WELL 13,729 M.D. TO 13,740 M.D. PERFERATION. LOCATED IN SECTION 16 OF T20S-R16E;

THERE ARE NO RESIDENTIAL OR COMMERCIAL STRUCTURES, NOT OWNED BY THE APPLICANT, HIS LESSOR, OR OTHER PREDECESSOR IN INTEREST, WITHIN 500' OF WELL No. 2
 NOTE: EXISTING PIPELINES ARE NOT SHOWN.

ALL COORDINATES AND BEARINGS ARE GRID, AND ARE ON THE LOUISIANA LAMBERT PLANE COORDINATE SYSTEM, SOUTH ZONE, 1927 NORTH AMERICAN DATUM.
 NOTE: ALL COORDINATES ARE SHOWN IN U.S. SURVEY FEET.

MUSTANG ENERGY, L.C.
 PROPOSED SUBSTITUTE UNIT WELL
 TERREBONNE PARISH SCHOOL BOARD WELL #2

FOR
 L. TEX. L-1 RA SU A
 LOCATED IN
 SECTIONS 15, 16, & 21 T20S-R16E
 BAYOU SAUVEUR FIELD
 TERREBONNE PARISH, LOUISIANA
 SCALE: 1" = 1000' APRIL 15, 2008

ERIC G. RYALS, INC.
 P.O. BOX 1258
 MANDEVILLE, LA 70470

