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May 13, 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.

Hosston Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A; ELM GROVE FIELD, Bossier Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Lower Cotton Valley Zone, Reservoir A; all in the Elm Grove Field, Bossier Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on the attached plat and being designated LCV RA SU120.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within this proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Hosston Zone, Reservoir A; or any combination thereof, in the wellbore of any well drilled on the proposed unit LCV RA SU120, and on the existing units designated CV RA SU79 and HOSS RA SU73, in which the interests in the units from which production is to be combined downhole are identical.
4. To redefine the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, insofar and only insofar as to the additional unit proposed herein, as being the stratigraphic equivalent of that interval encountered between the depths of 8,997 feet and 9,620 feet (electrical

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log measurements) in the J-W Operating Company--Roach et al 11 No. 2 Well, located in Section 11, Township 16 North, Range 11 West, Bossier Parish, Louisiana.

5. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit for the Lower Cotton Valley Zone, Reservoir A.

6. To consider such other matters as may be pertinent to these proposals.

The Hosston Zone, Reservoir A, Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 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.

Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

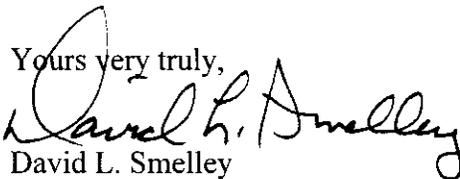
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat 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. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 1:30 P.M. on June 4, 2008, at the Shreveport Petroleum Club, Energy Room A, Fifteenth Floor, 416 Travis Street, Suite 1500, Shreveport, Louisiana 71101. **THERE IS NO REQUIREMENT THAT ANY PERSON**

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RECEIVING THIS LETTER ATTEND THIS CONFERENCE. This is merely an invitation to attend and participate if you so desire.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and 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 Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

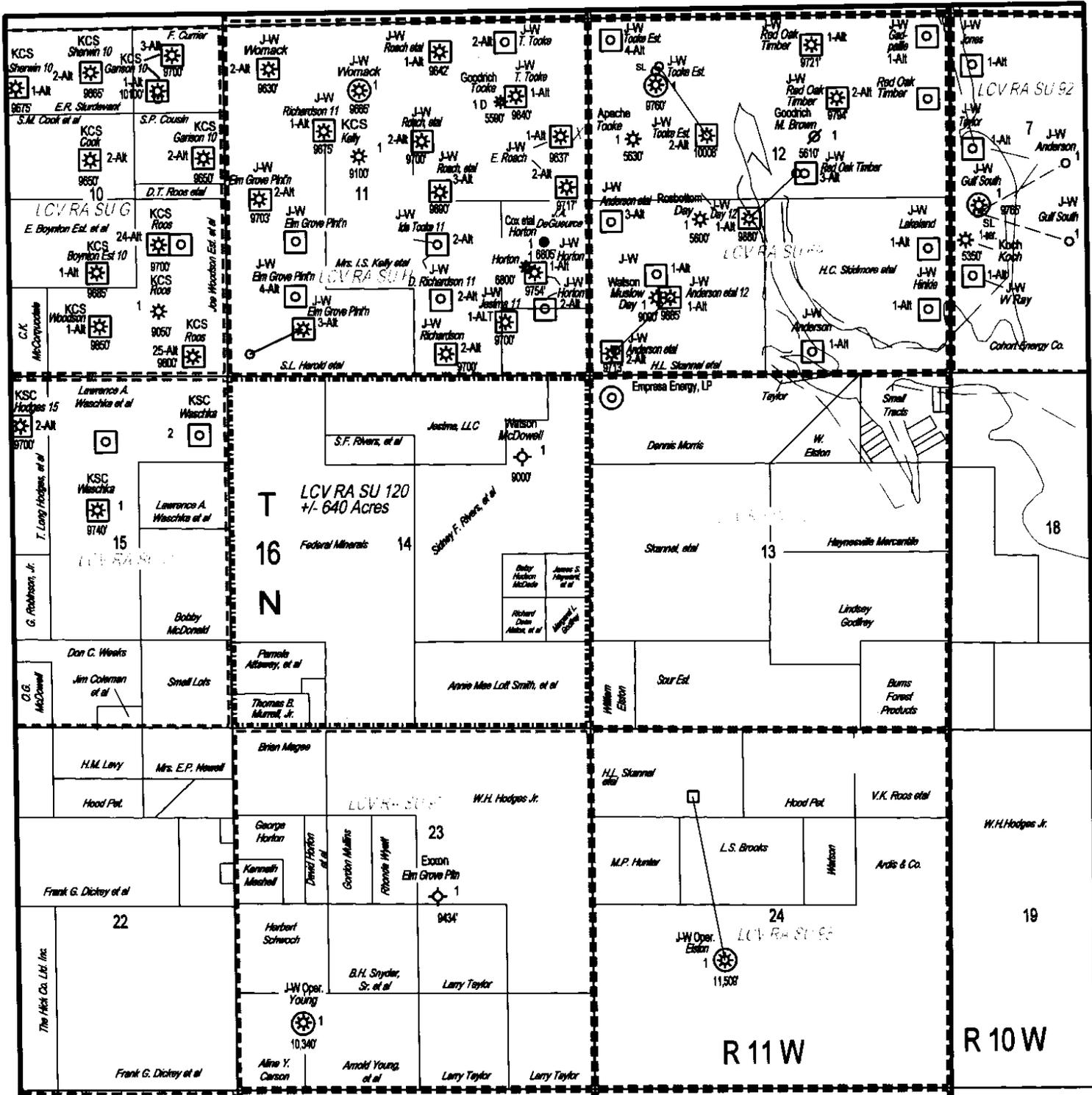
Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley

--- Attorney for Matador Production Company

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Cody Hubbell (w/encls.)
Mr. Louis Gilbert (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)



- : AS PER 361-E SERIES
- : PROPOSED UNIT
- △ : PROPOSED UNIT WELL
- : UNIT WELL
- : ALTERNATE UNIT WELL

EXHIBIT No. _____ DOCKET No. 08-

MATADOR PRODUCTION COMPANY

ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

PROPOSED UNIT PLAT
LOWER COTTON VALLEY ZONE,
RESERVOIR A

0 2000 4000

DATE: _____ ELMGROVE\MATADOR-09.DGN

LOUIS GILBERT & ASSOCIATES, INC.