

GORDON

MCCOLLAM DUPLANTIS
& EAGAN LLP

William F. Bailey
wbailey@gordonarata.com

P.O. Box 81829 (Zip 70598-1829)
400 East Kaliste Saloom Road, Suite 4200
Lafayette, Louisiana 70508-8517
(337) 237-0132 · Fax (337) 237-3451
www.gordonarata.com

May 28, 2008

Ref: 2610-24931

Honorable James H. Welsh
Commissioner of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hearing Application
MA-3 Zone, Reservoir A
Falgoust-MA 1 Zone, Reservoir A
CHEGBY FIELD
St. James & Lafourche Parishes, Louisiana
Applicant: Petsec Energy Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Petsec Energy Inc.** 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 MA-3 Zone, Reservoir A and Falgoust-MA 1 Zone, Reservoir A, Chegby Field, St. James & Lafourche Parishes, Louisiana.

MA-3 ZONE, RESERVOIR A

1. To create a single drilling and production unit of approximately 526 acres for the MA 3 Zone, Reservoir A, designated as the MA 3 RA SUA, Chegby Field, Lafourche Parish, Louisiana, all as shown more particularly on the attached plat;
2. The MA 3 Zone, Reservoir A, in the Chegby Field is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 12,880 feet and 13,180 feet (electrical log measurements) in the Mobil -W. P. Miles Property No. 1 Well located in Section 26, Township 13 South, Range 17 East, St. James Parish, Louisiana.

FALGOUST-MA 1 ZONE, RESERVOIR A

1. To create a single drilling and production unit of approximately 670 acres for the Falgoust-MA 1 Zone, Reservoir A, designated as the FAL-MA 1 RA SUA, Chegby Field, Lafourche Parish, Louisiana, all as shown more particularly on the attached plat;
2. The Falgoust-MA 1 Zone, Reservoir A, in the Chegby Field is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 11,440 feet and 12,930 feet

Hon. James H. Welsh

May 28, 2008

Page - 2 -

(electrical log measurements) in the Union Texas Petroleum-St. Joseph Pltg. & Mfg. Co.-No. 1 Well (formerly Bowie Lbr. Co. Unit No. 6) located in Section 29, Township 13 South, Range 17 East, Lafourche Parish, Louisiana.

FOR THE ABOVE ZONES

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the said units;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in unit production on a surface acreage basis of participation;
3. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on May 27, 2008. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. William F. Bailey. Mr. Louis Gilbert of Louis Gilbert & Associates presented the plan of applicant. Questions were asked and answered. It is anticipated that there will be no opposition at the public hearing in this matter.

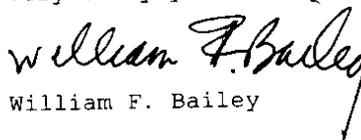
Attached hereto and made a part hereof are plats outlining the MA 3 RA SUA and FAL MA 1 RA SUA, Lafourche Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Louis Gilbert of Louis Gilbert & Associates, 3636 N. Causeway Blvd., Suite 204, Metairie, LA 70002 (504) 834-8112.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$1,510.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,


William F. Bailey

WFB/ht

Attachments

cc: Mr. Richard D. Hudson
District Manager, Office of Conservation

All Interested Owners, Represented Parties
and Interested Parties

