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May 27, 2008

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Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-4275

Re: Hackberry Zone, Reservoir D  
Clear Marais Field  
Calcasieu Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of Denali Oil & Gas Management, L.L.C., 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 Hackberry Zone, Reservoir D, in the Clear Marais Field, Calcasieu Parish, Louisiana, to-wit:

1. To redefine the Hackberry Zone, Reservoir D, in the Clear Marais Field, Calcasieu Parish, Louisiana, as being that oil and gas bearing zone encountered between the depths of 12,212 feet and 12,354 feet (electrical log measurements) in the Denali Oil & Gas Management, L.L.C. -- Stream Well No. 1 located in the Clear Marais Field, Calcasieu Parish, Louisiana.
2. To establish rules and regulations governing the exploration for and production of oil and gas from the Hackberry Zone, Reservoir D, in the Clear Marais

Field, Calcasieu Parish, Louisiana, as shown on the attached plat.

3. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
4. To designate a unit operator and a unit well for the unit so created.
5. To provide that any well drilled outside the Hackberry Zone, Reservoir D, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To provide that the Commissioner of Conservation may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner of Conservation.
7. To consider such other matters as may be pertinent to the Hackberry Zone, Reservoir D, in the Clear Marais Field, Calcasieu Parish, Louisiana.

The Hackberry Zone, in the Clear Marais Field, Calcasieu Parish, Louisiana, was previously defined in Order No. 1363, effective December 14, 1989.

All pertinent data relating to the above proposal may be obtained, AT THE COST OF THE REQUESTING PARTY, from Cambe Geological Services, Inc., 6300 Westpark, Suite 400, Houston, Texas 77057, Phone No.: (713) 659-8363.

A pre-application conference was held on May 22, 2008. A copy of the attendance list is attached hereto. Bill McAlister presented the geological basis of the application to the attendees. An opportunity was afforded for questioning by those in attendance.

Attached hereto and made a part hereof is a plat outlining the proposed Hackberry Zone, Reservoir D, in the Clear Marais Field, Calcasieu Parish, Louisiana. Also enclosed herewith to the Commissioner of Conservation and District Manager is a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this notice is being sent; however, a copy of this

Honorable James H. Welsh  
May 27, 2008  
Page 3

list will be provided to any party upon request. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice which issues in respect of this application, 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 the Clear Marais Field, all in accordance with the Revised Rules of Procedure. Additionally, 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 of Conservation.

In addition, enclosed herewith is our check payable to the Office of Conservation in the amount of \$755.00, in payment of the required hearing application fee.

Very truly yours,

OTTINGER HEBERT, L.L.C.



Patrick S. Ottinger

PSO/sd  
Enclosures

cc: Mr. Richard D. Hudson, District Manager  
Interested Owners, Represented Parties and Interested Parties

