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ROBERT A. SCHROEDER

Certified Professional Landman

POST OFFICE BOX 681

MANDEVILLE, LOUISIANA 70470-0681

ras2000@bellsouth.net

Telephone: (985) 626-7843

Facsimile: (800) 738-7143

Cellular: (504) 723-7143

Physical Address:

151 Brookside Drive

Mandeville, Louisiana 70471-3201

May 27, 2009

Hon. James H. Welsh, Commissioner
Louisiana Office of Conservation
Post Office Box 94275 – Capitol Station
Baton Rouge, Louisiana 70804-9275

Re: APPLICATION FOR PUBLIC HEARING

The Harvest Group (H177) - Main Pass 47 Commingling Facility #1 (95220)
Martin Marks Operating Co. L.L.C. (M266) – SL 19489 Well No. 1 (SN 239063)
Main Pass Block 47 Field (6418)
Plaquemines Parish
L O U I S I A N A

Dear Mr. Commissioner:

Pursuant to the provisions of Title 30 of the Revised Statutes of 1950 and Statewide Order No. 29-D-1, application is made on behalf of The Harvest Group LLC (*Harvest*) for the calling of a public hearing after ten (10) day legal notice, to consider evidence relative to the issuance of an Order giving permission for commingling with production previously approved for commingling at the Main Pass 47 Commingling Facility of High Pressure Gas production from the units described in the attached *Description of Flow and Operations*. The method of measurement and allocation of production, which Harvest is proposing, is explained in the *Description of Flow and Operations* and schematic diagram for the Main Pass 47 Commingling Facility.

Harvest requests that a hearing be called so that evidence can be submitted to substantiate its proposal for the allocation of said production. Harvest believes that this commingling of high pressure gas in the manner proposed will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest the opportunity to recover his just and equitable share of the production.

Harvest will provide for the advertisement of the legal notice in a newspaper of general circulation in the vicinity of the Coquille Bay and Main Pass 47 Fields and will post the legal notice in a prominent place in the area of said fields. Harvest will also mail a copy of said legal notice to the interested parties, including operating and royalty interests.

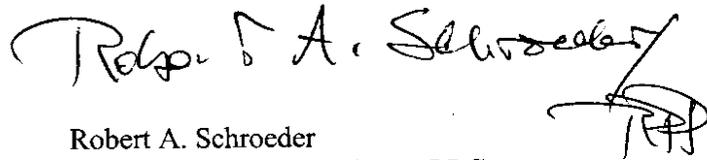
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Attached are (i) a copy of the description of operation and schematic, (ii) a list of Interested Parties, including operating and royalty interests, (iii) a signed statement of reasonable, accurate measurement, and (iv) a check in the amount of \$755.00 to cover the fee for this application.

A copy of this application is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana, and to each interested owner, represented party, and interested party after a reasonable effort was made to ascertain the names and addresses of all such parties.

All inquiries concerning this proposal should be directed to the undersigned. I am

Very truly yours,



Robert A. Schroeder
Agent for The Harvest Group LLC

RAS:rpp
attachments

cc: Mr. Richard D. Hudson – District Manager
Louisiana Office of Conservation
825 Kaliste Saloom Road
Suite 220
Lafayette Louisiana 70508-4284

Mr. Brian P. Daigle
The Harvest Group LLC
67201 Industry Lane
Covington, Louisiana 70433-8705

Mr. Everard Marks
Martin-Marks Minerals LLC
2424 Edenborn Avenue
Suite 450
Metairie, Louisiana 70001-6463

Interested Owners, Represented Parties, and Interested Parties

THE HARVEST GROUP LLC

MAIN PASS BLOCK 47 COMMINGLING FACILITY (95220)

MAIN PASS BLOCK 47 FIELD (6418)

PLAQUEMINES PARISH, LOUISIANA

**STATEMENT OF APPLICATION REGARDING ACCURACY OF MEASUREMENTS
IN CONNECTION WITH COMMINGLING OF LIQUID HYDROCARBONS**

In the opinion of The Harvest Group LLC, the commingling of gas and liquid hydrocarbons and the use of monthly well tests for production allocation as proposed under this application to the State of Louisiana, Office of Conservation, will provide reasonable accurate measurement, will not create inequities, and the owner of any interest will have the opportunity to recover his just and equitable share of the reservoir content. All liquid test meters employed in the installation covered by this application will be proved, commercially available type. Moreover, suitable means for calibrating each liquid test meter are provided, such that the accuracy of each meter in operation can be proved. Such testing will be done at least monthly and at such other times as the Commissioner of Conservation or his agent shall deem proper.



Brian P. Daigle
Operations Manager

THE HARVEST GROUP LLC

EXHIBIT NO. _____ DOCKET No. 09- _____

DATE: _____

THE HARVEST GROUP LLC (H177)

DESCRIPTION OF FLOW AND OPERATIONS MAIN PASS 47 COMMINGLING FACILITY (95220) LOCATED IN MAIN PASS BLOCK 46 & 52 ADDING SL 19489

The Main Pass 47 Commingling Facility is a previously approved commingling facility consisting of two (2) platforms - MP 46 and MP 52. The Harvest Group LLC (*Harvest*) has previously been authorized to commingle High Pressure Gas production from leases and units in the Main Pass Block 47 (6418) and Coquille Bay (2888) Fields that are currently produced to the Grand Bay Commingling Facility (92170). Produced liquids and low pressure gas from the added leases and units will continue to flow into the Grand Bay Commingling Facility.

Leases that currently produce in the Main Pass Block 47 Field (6418) and are commingled at the Main Pass 47 Commingling Facility include:

SL 11189	Approved by 29-D-5.
SL 11586	Approved by 29-D-5.
8350 RA VUA	Approved by 29-D-6.
CIB C 2 RA SUA	Approved by 29-D-6.
SL 14882	Approved by 29-D-8.
SL 15906	Approved by 29-D-9.
SL 16392	Approved by 29-D-9.
SL 16393	Approved by 29-D-9.
SL 1268	Approved for CF 95221, 29-D-7, 9
SL 14646	Approved for CF 95221, 29-D-7, 9
SL 16370	Approved by 29-D-11
VUA - SL 11189	Approved by 29-D-11
SL 16773	Approved by 29-D-10
SL 16664	Approved by 29-D-12
SL 16570	Approved by 29-D-13
SL 17052	Approved by 29-D-15
SL 2726	Approved by 29-D-16
VUA - SL 17052	Approved by 29-D-17
VUB - SL 16773	Approved by 29-D-17
SL 195 QQ - 16-19 RA SUA	Approved by 1331-1
SL 195QQ & SL 18579 - E RA SUA	Approved by 1331-1
SL 195QQ & SL 18579 - 5 RA SUA	Approved by 1331-1
SL 195QQ & SL 18579 - 5900 RA SUA	Approved by 1331-1
SL 195QQ - 6A-15A RA SUA	Approved by 1331-1
SL 195QQ - 13B-22 RA SUA	Approved by 1331-1
SL 195QQ - 6A-19 RA SUA	Approved by 1331-1
SL 195QQ & SL 18579 - 6A-19 RA SUA	Approved by 1331-1

Leases that currently produce in the Coquille Bay Field (2888) and are commingled at the Main Pass 47 Commingling Facility include:

SL 195QQ, PPG 1992, & PPG 2005 - 5000 RA SUA	Approved by 1331-1
SL 195 QQ - 11000 RA SUA	Approved by 1331-1
SL 195 QQ - CIB C RA SUB	Approved by 1331-1
SL 195QQ, PPG 1992, & PPG 2005 - 4000 RA SUA	Approved by 1331-1
SL 195QQ & A0261 - 8450 RB SUA	Approved by 1331-1

Harvest proposes adding the following lease for HP Gas production to the Main Pass 47 Commingling Facility:

MAIN PASS BLOCK 47 FIELD

LUW	OPERATOR AND WELL NAME	CONTRIBUTING OIL, GAS AND MINERAL LEASES
LUW 050342	Martin Marks Operating Co. L.L.C. SL 19489 Well No. 1 (SN 239063)	Martin Marks Minerals L.L.C. State Lease 19489

Production from State Lease No. 19489 currently flows to the Grand Bay MP 52 platform and is capable via the Header System to flow to the various production trains described in the following narrative. Production from State Lease No. 19489 will be allocated as described.

The descriptions listed below apply to the systems at both the MP 52 and MP 46 platform production facilities included in the commingling permit. Each facility has a high-pressure system to service wells capable of exceeding sales pipeline pressure and a LP system. MP 46 has an intermediate pressure (IP) system. Gas from the LP and IP systems are compressed and flow to the high-pressure wet gas (HPWG) system. Compressed low pressure gas at the MP 52 platform is routed to the High Pressure Bulk (HPB) system where it is metered for allocation purposes before flowing to the High Pressure Wet Gas (HPWG) System. High Pressure dry gas is sold at both the MP 52 and the MP 46 platforms.

HEADER SYSTEM The wells will have the ability to flow to either of the following four production systems:

1. High Pressure Bulk (HPB) (1000+ psi)
2. Intermediate Pressure Bulk (IPB) (75 – 100 psi @ MP 46)
3. Low Pressure Bulk (LPB) (40 – 75 psi)
4. Test (all pressures – HPT, IPT, LPT)

HIGH PRESSURE BULK (HPB) SYSTEM Fluids entering the HPB System flow to the HPB separator, and will be separated into two phases, liquid and gas. Liquids will be sent to the IPB separator (MP 46) or LPB (MP 52) for further processing. Gas is measured and flows to the HP Wet Gas System (HPWG) for further processing. This system will be operated at the existing sales line pressure required at the sales point, approximately 1,000-1,200 psi. The compressor discharge at MP 52 is routed to the HPB system so that all gas produced at the MP 52 facility can be metered for allocation by either the HPB or HPT system meters.

LOW PRESSURE BULK (LPB) SYSTEM (MP 46 & MP 52) & INTERMEDIATE PRESSURE BULK (IPB) SYSTEM (MP 46) Fluids entering the LPB / IPB System flow to the LPB / IPB separator and will be separated into three phases, oil, water and gas. Oil will flow to either the stock tank or directly to the heater treater. Water will flow directly to the water skimmer or to the heater treater. Gas is measured and flows to the compressor interstage, approximately 75 – 100 psi, or compressor suction at 40 – 50 psi depending on compressor load, and is compressed to flow into the HPB System where it is metered for allocation purposes.

TEST SYSTEM When a well is put into the test header, it flows to the HPT or IPT/LPT system. Only one well can be tested at a time at each facility.

HPT SYSTEM Fluids entering the HPT System flow to the HPT separator and will be separated into two phases, liquid and gas. Liquids will be sent to the LPT/IPT separator for further processing and measurement. Gas is measured and flows to the HP Wet Gas System (HPWG) for further processing. This system will be operated at the existing sales line pressure required at the sales point, approximately 1000-1200 psi.

LPT/IPT SYSTEM Fluids entering the LPT/IPT separator will be separated into three phases, oil, water, and gas. Oil is metered and flows to either the stock tank or directly to the heater treater. Water is metered and flows directly to the water skimmer or to the heater treater. Gas is measured and flows to the compressor interstage, approximately 75-100 psi, depending on compressor load, and is compressed to flow into the HPWG System. Gas can also be routed to the compressor suction, approximately 35 - 45 psi for LP wells. Compressed gas at the MP 52 platform flows into the HPB system for allocation measurement.

HIGH PRESSURE WET GAS (HPWG) SYSTEM The compressor discharge is routed into HP Bulk System so that all produced gas from the wells that flow into the MP 52 platform can be metered for allocation. This system collects HP gas from the HPB, HPT and HP wet gas incoming from the Grand Bay 6" pipeline. The HP wet gas from Grand Bay is metered for allocation at the Grand Bay MP 47 platform. This gas is near ambient temperature and does not contain any liquids or condensate. This gas is then dehydrated and flows to the High Pressure Dry Gas (HPDG) System.

HIGH PRESSURE DRY GAS (HPDG) SYSTEM Dry gas utilized as fuel is metered with the remainder being routed to sales. The HPDG is metered before leaving the platform and after any compressor or instrument fuel or flare has been used. The gas flows to Southern Natural Gas where it is metered for sales.

OIL COMMINGLING SYSTEM Processed oil from MP 52 is transferred via a 4" pipeline to MP 46. The oil is measured when it exits the facility. When the oil arrives at MP 46, it is processed through a heater treater to separate any water that may have broken out of the oil during transfer. Oil then flows to the oil storage tanks where it is stored prior to sales. Oil from the oil storage tanks is pumped through the LACT using a triplex positive displacement pump. Oil can flow through either of two identical metering systems on the LACT skid. In each run, the BS&W of the oil is measured using an Invalco BS&W Monitor. The oil is then run through a basket strainer to remove any entrained solids. A sample port downstream of the strainer collects a composite sample of the oil pumped during the month from each run. This sample is used to determine the average BS&W of the oil pumped to the pipeline to determine the net oil sold. Net oil sold is determined by multiplying the gross oil sold by total percent oil of the composite sample. Following the sample port, the oil flows through a three-way valve that diverts flow back to the wet oil tank, if the BS&W is above pipeline limits. If the oil meets pipeline limits, it continues through the LACT and is measured using an A. O. Smith positive displacement meter. Following measurement, pressure and temperature are measured to assist in determining the properties of the oil. The oil can then flow either directly to the pipeline or through the proving loop. The proving loop is capable of flowing in either direction via a four-way valve where a ball is pumped past two sensors, with a known volume between the two sensors. The amount of oil measured while pumping the ball between the two sensors is used to calibrate the oil meter. Calibration using the proving loop will be conducted on a monthly basis as stated in the attached Statement of Accuracy.

All connections on the LACT unit are sealed with a wax type seal to indicate tampering with the unit. The drain valve on the sample pot is locked to prevent removal of the sample or tampering by unauthorized personnel.

METER CALIBRATION Oil meters will be calibrated monthly by one of the following methods.

1. The meter will be replaced with a previously calibrated meter and then sent in to a third party for calibration using a prover loop and API methods.
2. The meter will be calibrated by placing a calibrated meter upstream of the separator meter being tested. The previously calibrated meter's volume will be used to determine a meter coefficient for the meter being calibrated.

The oil/condensate production for each well will be based on the meter reading at the LPT/IPT separator multiplied by the coefficient calculated by calibration. Any "stray" fluids collected from scrubber and vent separators will be routed to the heater treater or the oil tanks and will be distributed among the well based on allocated oil production.

All gas meters will be calibrated quarterly and at more frequent intervals as may be deemed necessary by the operator.

ALLOCATION OF FLUIDS SOLD Each production platform (MP 46 & MP 52) has a dedicated Southern Natural gas sales station. The gas is measured using an orifice type meter with electronic differential pressure and temperature recorder meeting API MPMS 14.3 and /or AGA-3 specifications. The gas volume sold at MP 52 are used to allocate sales volumes back to the allocation meter at the Grand Bay MP 47 platform and to the sum of the HP bulk and test allocation meters at the MP 52 platform. Gas volumes are then allocated to each well based well test and downtime. Gas volume sold at the MP 46 gas sales meter is directly allocated to each well based well test and downtime. Gas production will be allocated daily based on total gas sold that day. A percentage allocation will be conducted daily using each well's previous test and hours on production to determine the well's percentage of the gas sold that day. Wells will be tested at intervals not to exceed one (1) calendar month and at any time a choke is changed or well conditions indicate a change in the flow characteristics of the well. Each well's production will be assumed to remain constant until the next test is performed. Metered fuel used and estimated flare gas is added to the allocated gas sold to determine actual production for each wellbore. Metered fuel and estimated flare are allocated based on throughput. Wells using the compressor are allocated compressor fuel based on their percentage of the total gas compressed. The daily-allocated volumes are then used to compute each well's allocated percentage of each month's gas production and sales.

Crude or Condensate production will be allocated daily based on total crude oil produced that day as determined by tank strappings. A percentage allocation will be conducted daily using each well's previous test and hours on production to determine the well's percentage of the oil produced that day. Wells will be tested at intervals not to exceed one (1) calendar month and at any time a choke is changed or well conditions indicate a change in the flow characteristics of the well. Each well's production will be assumed to remain constant until the succeeding test is performed. All oil test volumes will be measured at the LPT/IPT separator. Crude oil is sold through a LACT unit.

Allocation measurements will be in accordance with the API Manual of Petroleum Measurement Standards (Chapter 20, Allocation Measurement).

END OF DESCRIPTION OF FLOW AND OPERATIONS

