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September 25, 2009

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Cadeville Sand of the Cheniere Field
Cotton Valley Formation, Reservoir A
Cheniere Field
Ouachita Parish, Louisiana
Our File No. 410688.40

Dear Sir:

On behalf of STROUD PETROLEUM, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cadeville Sand of the Cheniere Field and the Cotton Valley Formation, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana:

1. To dissolve the drilling and production unit designated as C'VILLE SUB, as shown on the plat attached hereto, which was created by Office of Conservation Order No. 560, effective September 15, 1961, for the Cadeville Sand of the Cheniere Field, in the Cheniere Field, Ouachita Parish, Louisiana;
2. Simultaneously with the dissolution of C'VILLE SUB, to establish rules and regulations and create a single drilling and production unit (to be designated as CV RA SUA) for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana, as shown on the plat attached hereto;
3. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed unit, with allocation of production to each of the tracts within each such unit to be on the basis of surface acreage;
4. To designate Stroud Petroleum, Inc as unit operator and designate a unit well for the proposed unit, as may be appropriate.
5. To provide that future wells drilled to the Cotton Valley Formation, Reservoir A, in the Cheniere Field, within or outside of the proposed unit, should be drilled in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

Commissioner of Conservation
September 25, 2009
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The Cadeville Sand of the Cheniere Field, in the Cheniere Field, in the Cheniere Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No.560, effective September 15, 1961.

The Cotton Valley Formation, Reservoir A, in the Cheniere Field, Ouachita Parish, Louisiana, is hereby defined as being the stratigraphic equivalent of the interval encountered between the depths of 9,480 feet and 13,010 feet (electrical log measurements), in the O'Brien Operating Company (formerly Diamond Shamrock)-V German No. 1 Well, located in Section 25, Township 17 North, Range 1 East, Ouachita Parish, Louisiana.

Pertinent data regarding this application will be available for inspection at the offices of Stroud Petroleum, Inc., 416 Travis Street, Suite 609, Shreveport, LA 71101. Any person wishing to inspect such data should call Mr. Ted Scurlock at (318) 425-0101, during normal business hours, or write Mr. Scurlock at the above address in order to arrange a time and date for such inspection. Copies of such pertinent data can be obtained AT THE EXPENSE OF THE REQUESTING PARTY.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Revised Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Revised Rules of Procedure. Pursuant to the Revised Rules of Procedure, such list is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Monroe District of the Office of Conservation.

By Pre-Application Notice dated September 11, 2009, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of Applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference will be held.

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

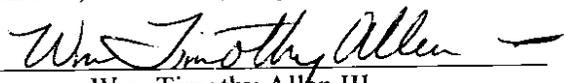
This application is being filed in duplicate, and a copy hereof is being sent to Mr. Joseph DeVall, Monroe District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

You may have received this Hearing Application even though your property may or may not be included in the referenced unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the referenced unit.

Your receipt of this Hearing Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

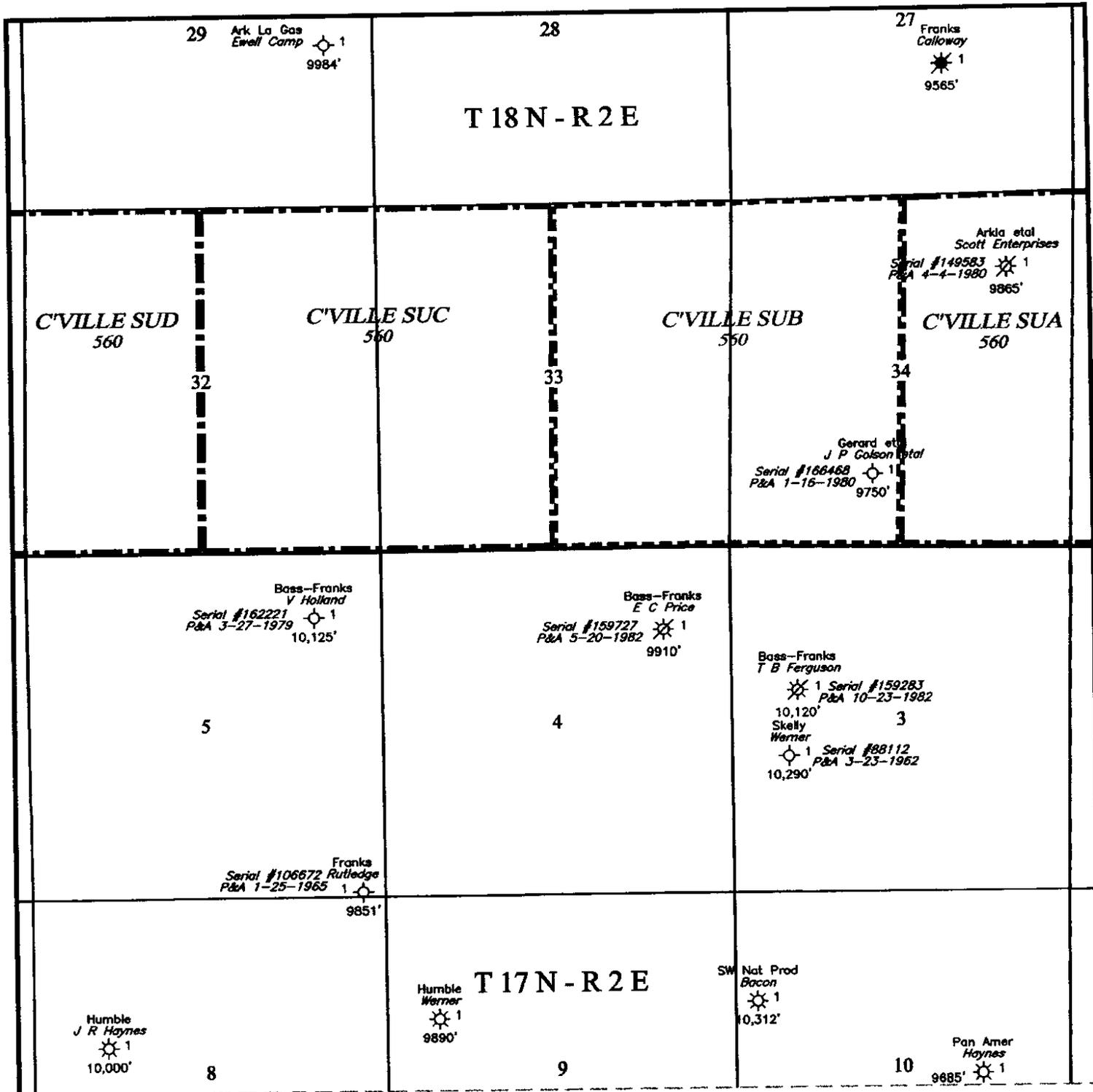
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Stroud Petroleum, Inc.

WTAIII:kmw
Enclosures

cc: Mr. Joseph DeVall, Monroe
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)



LEGEND

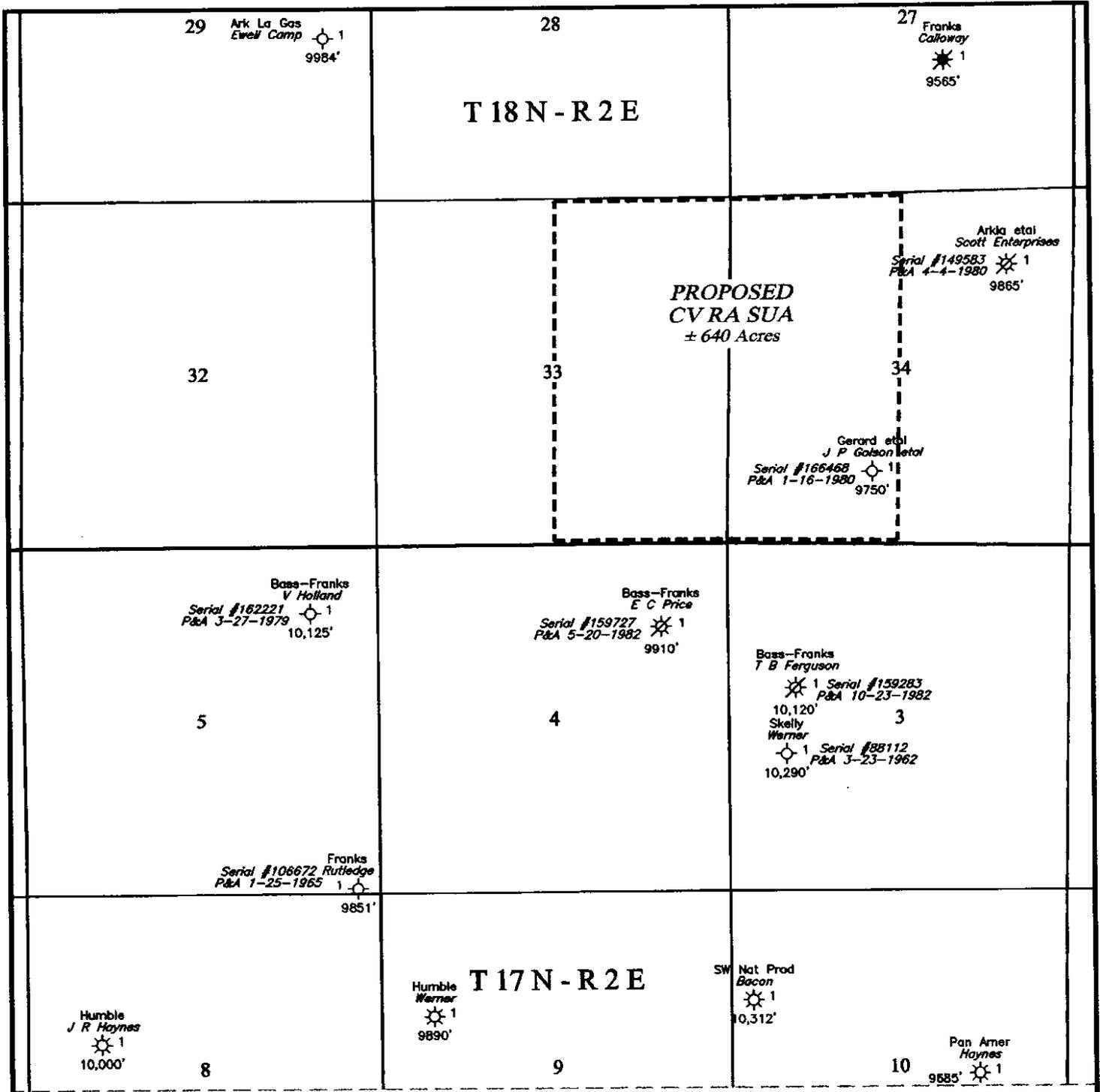
-  : CADEVILLE SUB CHENIERE FIELD TO BE DISSOLVED
-  : CADEVILLE UNITS CHENIERE FIELD

STROUD PETROLEUM, INC.
SHREVEPORT, LOUISIANA

CHENIERE FIELD
OUACHITA PARISH, LOUISIANA
CADEVILLE UNIT
C'VILLE SUB
ORDER 560
TO BE DISSOLVED



ONLY WELLS WITH TD's >3000' SHOWN



LEGEND

: PROPOSED CV RB SUA CHENIERE FIELD

STROUD PETROLEUM, INC.
SHREVEPORT, LOUISIANA

CHENIERE FIELD
OUACHITA PARISH, LOUISIANA

PROPOSED CV RA SUA



ONLY WELLS WITH TD's >3000' SHOWN