



James F. Hardwick & Associates

Unitization Specialists • Unitization Geologists • Petroleum Geologists
1101 S. Hugh Wallis Rd., Ste. 101 • P O Box 80972 • Lafayette, LA 70598-0972
Phone (337) 232-7756 Fax (337) 232-7797

May 20, 2009

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

Re: Heterostegina Zone, Reservoir B
Crowley Field
Acadia Parish, Louisiana

Application is hereby made on behalf of **KEY OPERATING AND PRODUCTION, LLC**, 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 Heterostegina Zone, Reservoir B, in Crowley Field, Acadia Parish, Louisiana:

1. To dissolve the existing unit for the HET RA SUA, created by Office of Conservation Order No.544-RR, effective January 18, 2005, and to simultaneously create a drilling and production unit for the exploration for and production of oil and gas from the Heterostegina Zone, Reservoir B, Sand Unit A designated HET RB SUA, as shown on the plat attached hereto;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created on a surface acreage basis of participation;
3. To designate Key Operating and Production, LLC as operator of the proposed HET RB SUA;
4. To designate the Baronet No.3 Well as the proposed unit well.
5. To provide that any wells drilled to the above mentioned zone, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E);
6. To allow the Commissioner of Conservation to reclassify the reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation; and

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7. To consider such other matters as may be pertinent to the Heterostegina Zone, Reservoir B.

The Heterostegina Sand, Reservoir A, in the Crowley Field, Acadia Parish, Louisiana, was previously defined in Office of Conservation Order No. 544-RR, effective January 18, 2005, and the Heterostegina Zone, Reservoir B is hereby defined as being that oil and gas bearing zone encountered between the electric log measured depths of 9,435 feet and 9,660 feet in the Key Operating and Production, LLC (Hilliard Petroleum) -- Baronet No. 3 Well located in Section 10, Township 10 South, Range 1 East, Acadia Parish, Louisiana.

Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from James F. Hardwick & Associates, 1101 S. Hugh Wallis Road, Suite 101, Lafayette, Louisiana 70508, Telephone Number (337) 232-7756.

The Commissioner of Conservation has waived the twenty (20) day pre-application notice in connection with this application and therefore the requirements of Rule 3 of the Revised Rules of Procedure shall not apply. Pursuant to the provisions of Rule 8 of the Revised Rules of Procedure, a conference to discuss the proposed application and any opposition thereto is hereby scheduled for 10:30 A.M. on Wednesday, June 3, 2009, at the offices of James F. Hardwick & Associates, 1101 S. Hugh Wallis Road, Suite 101, Lafayette, Louisiana 70508.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal, along with a list of the names and address of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application notice is being mailed. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties. Finally, there is enclosed herewith our check on behalf of the applicant made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,



FOR

James F. Hardwick

JFH

Attachments

cc: Mr. Richard Hudson, Lafayette District Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties

