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June 23, 2009

OF COUNSEL  
WILLIAM G. CONLY

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation; Hosston Formation, Reservoir A;  
and Cotton Valley Formation, Reservoir A; WEST  
SIMSBORO FIELD, Lincoln Parish, Louisiana.

Dear Sir:

INDIGO MINERALS LLC ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation; the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A; all in the West Simsboro Field, Lincoln Parish, Louisiana:

## Hosston Formation

1. To dissolve the three (3) units designated HOSSTON SU on an attached plat and being comprised of the entirety of Sections 17, 20 and 21, Township 18 North, Range 4 West, Lincoln Parish, Louisiana, said units having been created for the Hosston Formation by Office of Conservation Order No. 327, effective January 15, 1956, and Order No. 327-A, effective September 1, 1960.

2. To consider such other matters as may be pertinent.

The Hosston Formation in the West Simsboro Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 327, effective January 15, 1956.

## Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A

1. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SUO through HOSS RA SUR.

2. To create four (4) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SUAA through CV RA SUDD.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.

4. To designate a unit operator of, and unit well for, each of the proposed additional units as may be appropriate.

5. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir A, with production from the Cotton Valley Formation, Reservoir A, in any well drilled on the additional units proposed to be created herein for such formations in which the interests of the parties in each unit is identical.

6. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 327-B series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Hosston Formation, Reservoir A.

7. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 327-D series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.

8. To consider such other matters as may be pertinent to either of these formations.

The Hosston Formation, Reservoir A, in the West Simsboro Field, Lincoln Parish, Louisiana, was redefined in Office of Conservation Order No. 327-B-6, effective March 4, 1986.

The Cotton Valley Formation, Reservoir A, in the West Simsboro Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 327-D, effective August 1, 1980.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Craig C. Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person wishing to inspect such data should call Mr. Barclay at (318) 869-2223 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated June 10, 2009, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and a pre-application conference to discuss the proposals was tentatively scheduled for June 30, 2009. The conference was not requested within the delays provided for in the Rules of Procedure; therefore the conference will not be held.

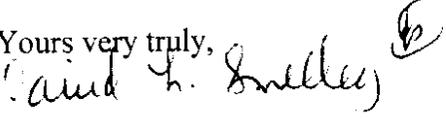
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats is enclosed herewith, and a copy of

Honorable James H. Welsh  
June 23, 2009  
Page 3

this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, 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 West Simsboro Field, all in accordance with the Revised Rules of Procedure. Furthermore, 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.

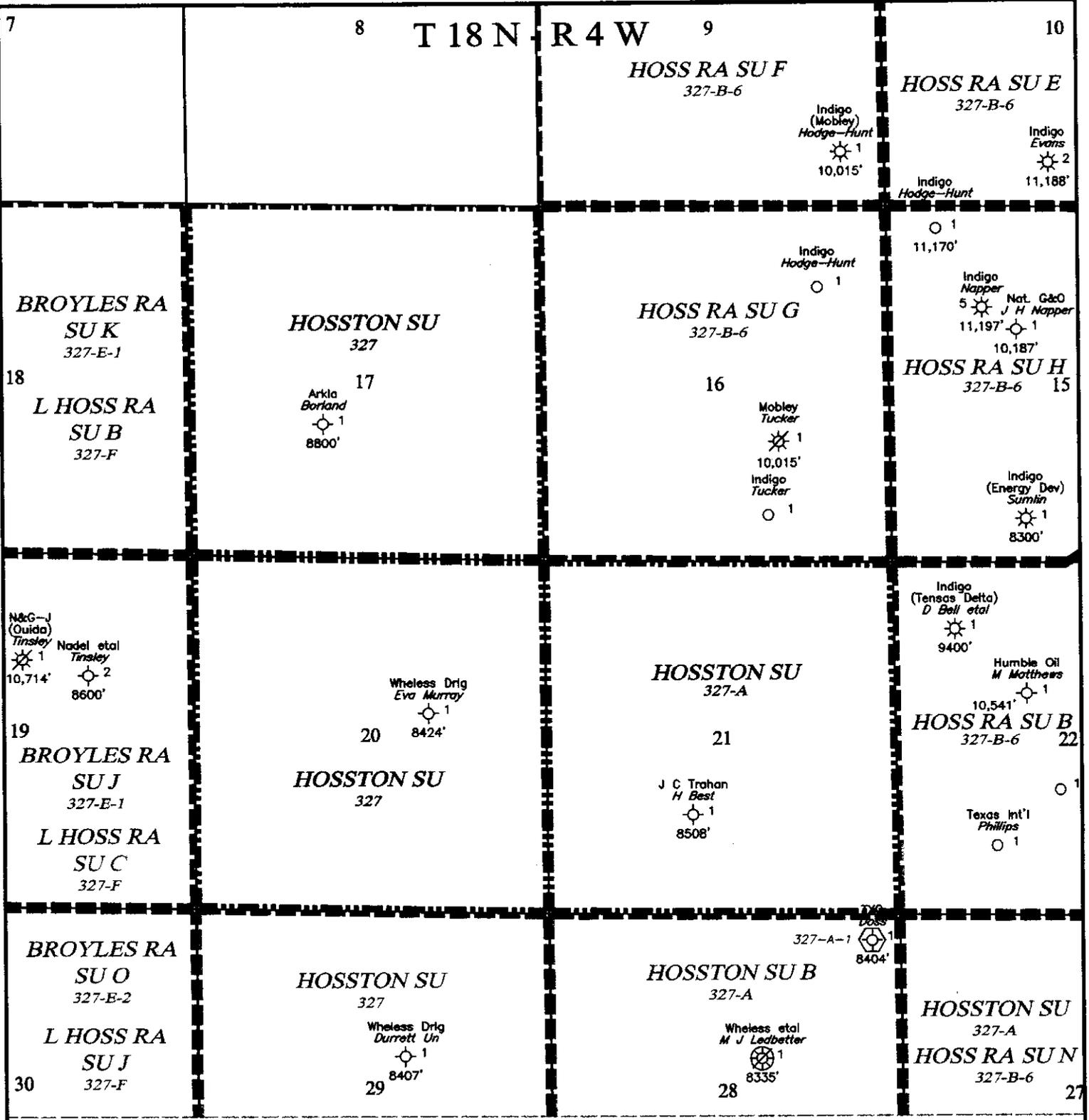
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,  
  
David L. Smelley

-- Attorney for Indigo Minerals LLC

DLS:dp  
Enclosures

cc: Mr. James C. Broussard (w/encls.)  
Ms. Elizabeth Glassell (w/encls.)  
Mr. Craig Barclay (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)



**INDIGO MINERALS LLC**  
HOUSTON, TEXAS

**WEST SIMSBORO FIELD**  
LINCOLN PARISH, LOUISIANA

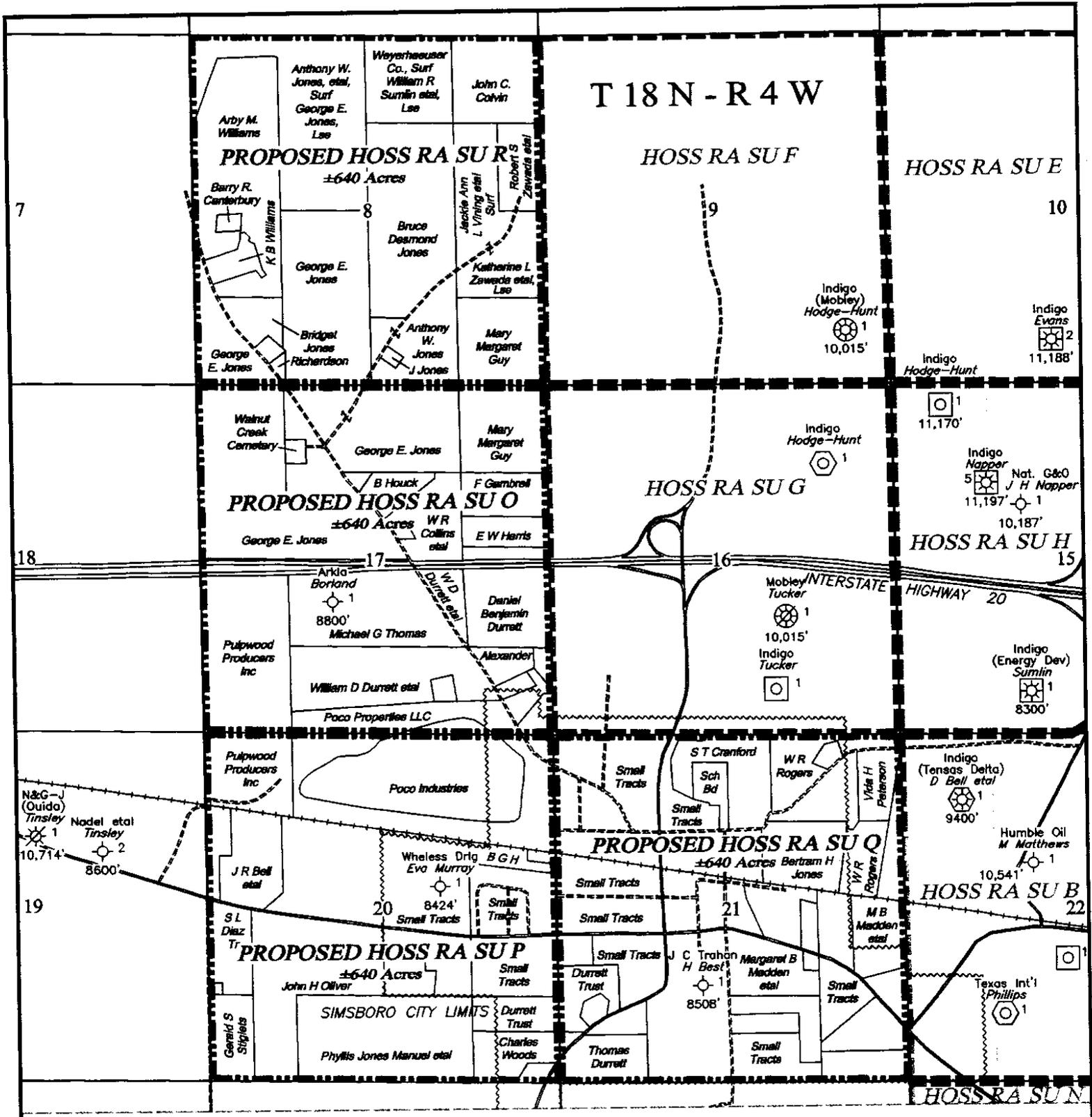
**WEST SIMSBORO FIELD**  
**UNITS TO BE DISSOLVED**

- :EXISTING UNITS
- :EXISTING UNITS FOR PROPOSED DISSOLUTION



GEOLOGIST: CRAIG C. BARCLAY

ONLY WELLS >6000' TD SHOWN



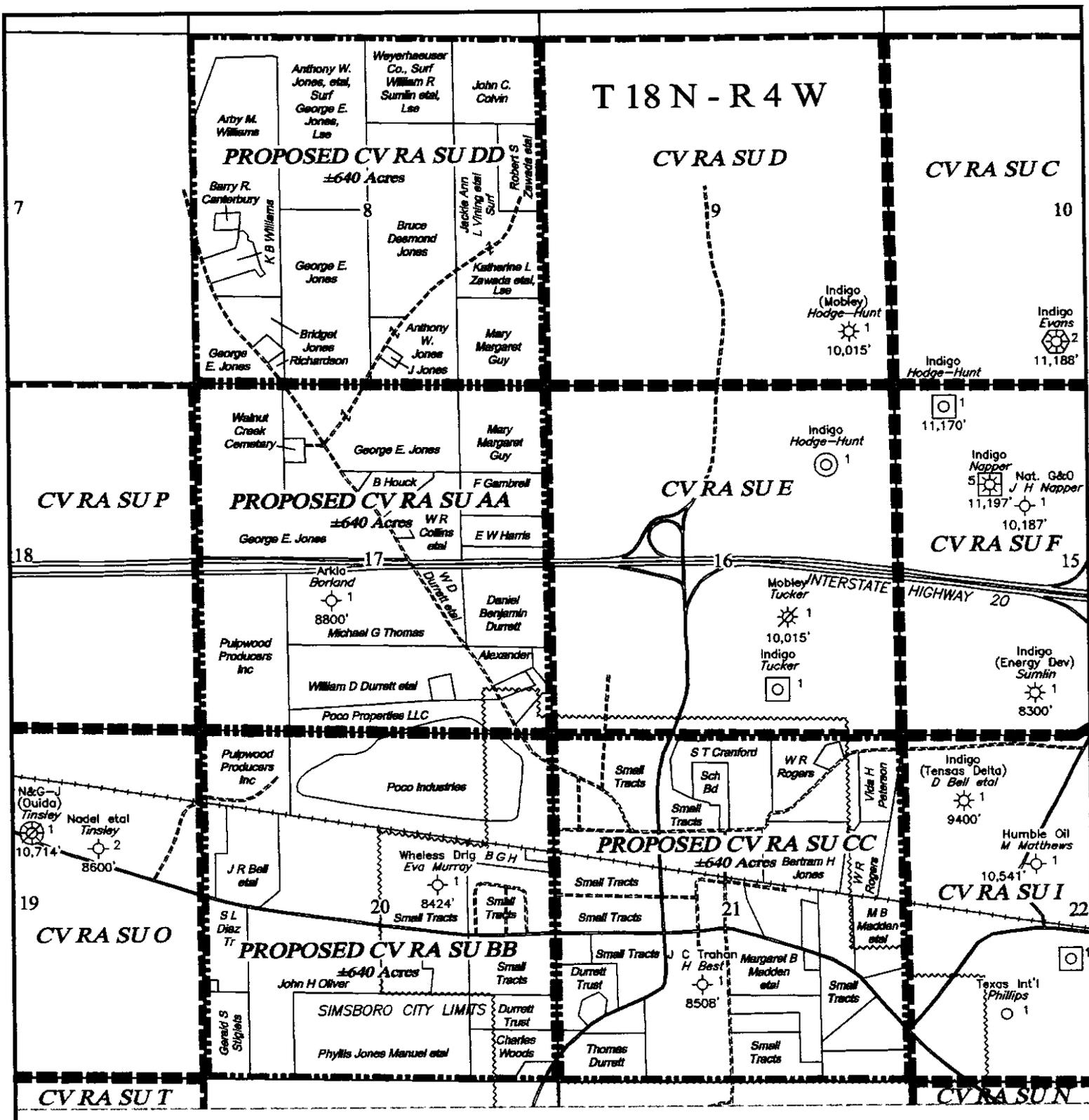
**INDIGO MINERALS LLC**  
HOUSTON, TEXAS

**WEST SIMSBORO FIELD**  
LINCOLN PARISH, LOUISIANA  
**PROPOSED HOSSTON RESERVOIR A UNITS**  
HOSS RA SU O, HOSS RA SU P, HOSS RA SU Q, & HA RA SU R

- :EXISTING HOSS RA UNITS
- :PROPOSED HOSS RA UNITS
- :HOSS RA UNIT WELL
- :HOSS RA SUBSTITUTE UNIT WELL
- :HOSS RA ALTERNATE UNIT WELL

GEOLOGIST: CRAIG C. BARCLAY  
0 2000' 4000' 1 MILE  
GRAPHIC SCALE  
ONLY WELLS >6000' TD SHOWN

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**INDIGO MINERALS LLC**  
HOUSTON, TEXAS

**WEST SIMSBORO FIELD**  
LINCOLN PARISH, LOUISIANA

**PROPOSED COTTON VALLEY RESERVOIR A UNITS**  
CV RA SUAA, CV RA SU BB, & CV RA SU CC, & CV RA SU DD

- :EXISTING CV RA UNITS
- .-.-.-.- :PROPOSED CV RA UNITS
- :CV RA UNIT WELL
- :CV RA SUBSTITUTE UNIT WELL
- :CV RA ALTERNATE UNIT WELL

GEOLOGIST: CRAIG C. BARCLAY



ONLY WELLS >6000' TD SHOWN

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