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December 8, 2008

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.

Cotton Valley Formation, Reservoirs A and E;  
Haynesville Zone, Reservoir A; and Smackover Zone,  
Reservoir C; CADDOPINE ISLAND FIELD, Caddo  
Parish, Louisiana.

Dear Sir:

MATADOR PRODUCTION COMPANY ("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 Cotton Valley Formation, Reservoirs A and E; the Haynesville Zone, Reservoir A; and to the Smackover Zone, Reservoir C; all in the Caddo-Pine Island Field, Caddo Parish, Louisiana:

## COTTON VALLEY FORMATION RESERVOIRS A & E

1. To redefine the Cotton Valley Formation, Reservoir E, in the Caddo-Pine Island Field, as being the stratigraphic equivalent of that interval encountered between the depths of 6,792 feet and 8,390 feet (electrical log measurements) in the Texaco, Inc.--D.L. Gish et al No. 1 Well, located in Section 23, Township 20 North, Range 15 West, Caddo Parish, Louisiana.
2. To redefine the Cotton Valley Formation, Reservoir A, in the Caddo-Pine Island Field, insofar and only insofar as to the existing units designated CV RA SUA, CV RA SUG, CV RA SUH and CV RA SUL through CV RA SUS, as being the stratigraphic equivalent of that interval encountered between the depths of 6,792 feet and 8,390 feet (electrical log measurements) in the Texaco, Inc.--D. L. Gish et al No. 1 Well, located in Section 23, Township 20 North, Range 15 West, Caddo Parish, Louisiana.
3. To confirm the drilling and production units previously created for the Cotton Valley Formation, Reservoir E, by Office of Conservation Order No. 122-M-7, effective August 15, 2006, Order No. 122-M-9, effective June 26, 2007, Order No. 122-M-10, effective November 27, 2007, and Order No. 122-M-12, effective January 8, 2008, said units being designated CV RE SUA through CV RE SUE, as shown on an attached plat, as remaining in full force and effect as drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir E, as redefined in the manner provided above.
4. To confirm the drilling and production units designated CV RA SUA, CV RA SUG, CV RA SUH and CV RA SUL through CV RA SUS, previously created for the Cotton Valley Formation, Reservoir A, by Office of Conservation Order No. 122-M, effective January 1, 1977, and

Order No. 122-M-15, effective July 22, 2008, said units being shown on an attached plat, as remaining in full force and effect as drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, as redefined in the manner proposed above.

5. Except as in conflict herewith, to continue in full force and effect the provisions of the Office of Conservation Order No. 122-M series of Orders.

6. To consider such other matters as may be pertinent to these proposals.

The Cotton Valley Formation, Reservoir E, in the Caddo-Pine Island Field, is currently defined in Office of Conservation Order No. 122-M-7, effective August 15, 2006.

The Cotton Valley Formation, Reservoir A, in the Caddo-Pine Island Field, was initially defined in Office of Conservation Order No. 122-M, effective January 1, 1977, and was redefined as to the units designated CV RA SUA, CV RA SUG, CV RA SUH and CV RA SUL through CV RA SUS, by Office of Conservation Order No. 122-M-15, effective July 22, 2008.

#### HAYNESVILLE ZONE RESERVOIR A

1. To create sixteen (16) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, such units being shown on an attached plat and being designated HA RA SUC through HA RA SUR.

2. 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.

3. To designate unit operators of, and unit wells for, the proposed additional units as may be appropriate.

4. To provide that with respect to any horizontal well drilled within these proposed units, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Zone, the distance to any unit boundary will be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus in the Haynesville Zone.

5. To confirm that the downhole combination authority granted in Office of Conservation Order No. 122-10, effective August 15, 2006, Order No. 122-16, effective July 22, 2008, and Order No. 122-18, effective July 29, 2008, relative to certain units created for the Cotton Valley Formation, Reservoirs A and E, and for the Smackover Zone, Reservoir C, as previously defined, is applicable to the proposed units for the Haynesville Zone, Reservoir A.

6. To extend to the proposed additional units, except as in conflict herewith, the provisions of Office of Conservation Order No. 122-Y, effective August 26, 2008.

7. To consider such other matters as may be pertinent to these proposals.

The Haynesville Zone, Reservoir A, in the Caddo-Pine Island Field, is defined in Office of Conservation Order No. 122-Y, effective August 26, 2008.

**SMACKOVER ZONE  
RESERVOIR C**

1. To redefine the Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, as being the stratigraphic equivalent of that interval encountered between the depths of 10,300 feet and 10,530 feet (electrical log measurements) in the Texaco, Inc.--D.L. Gish et al No. 1 Well, located in Section 23, Township 20 North, Range 15 West, Caddo Parish, Louisiana

2. To confirm the drilling and production units previously created for the Smackover Zone, Reservoir C, by Office of Conservation Order No. 122-X-1, effective August 15, 2006, Office of Conservation Order No. 122-X-3, effective July 22, 2008, and Office of Conservation Order No. 122-X-4, effective July 29, 2008, said units being designated SMK RC SUA through SMK RC SUP, as shown on an attached plat, as remaining in full force and effect as drilling and production units for the exploration for and production of gas and condensate from the Smackover Zone, Reservoir C, as redefined in the manner provided above.

3. Except as in conflict herewith, to continue in full force and effect the provisions of the Office of Conservation Order No. 122-X series of Orders.

4. To consider such other matters as may be pertinent to these proposals.

The Smackover Zone, Reservoir C, in the Caddo-Pine Island Field, is currently defined in Office of Conservation Order No. 122-X-1, effective August 15, 2006.

Any pertinent data concerning this application will be available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Louis Gilbert at (504) 834-8112 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 November 7, 2008, 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 with respect to Applicant's proposals was thereafter held beginning at 10:00 o'clock a.m. on December 4, 2008, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. Following this presentation there was a general question and answer period concerning the proposals of Applicant. Thereafter the conference was adjourned with no opposition having been expressed to the proposals of Applicant.

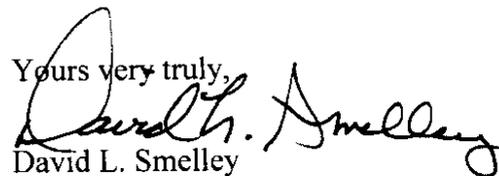
Honorable James H. Welsh  
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Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application 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 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 Caddo-Pine Island 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,

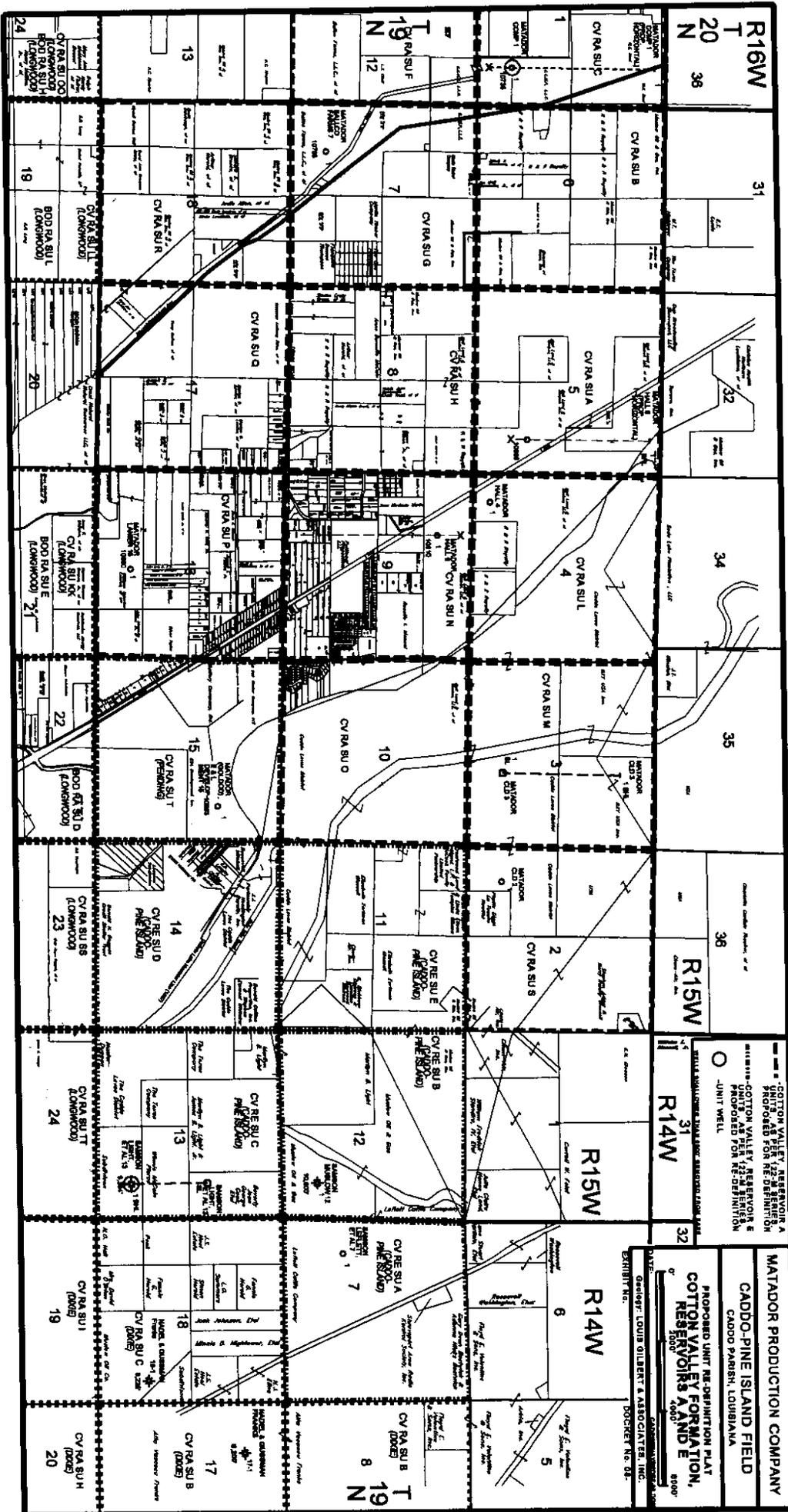


David L. Smelley

-- Attorney for Matador Production Company

DLS:dp  
Enclosures

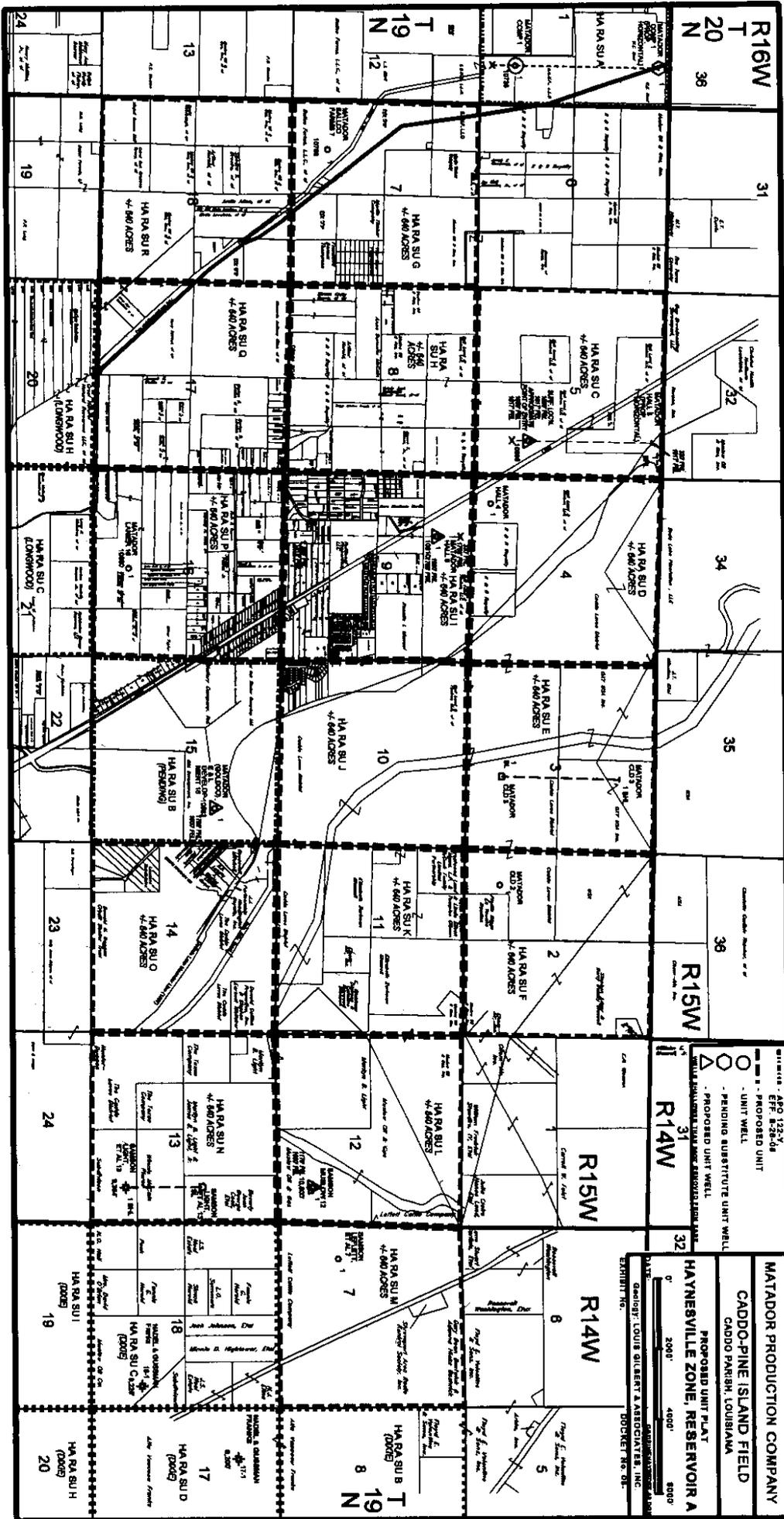
cc: Mr. James C. Broussard (w/encls.)  
Mr. Cody Hubbell (w/encls.)  
Mr. Ken Fox (w/encls.)  
Mr. Louis Gilbert (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)



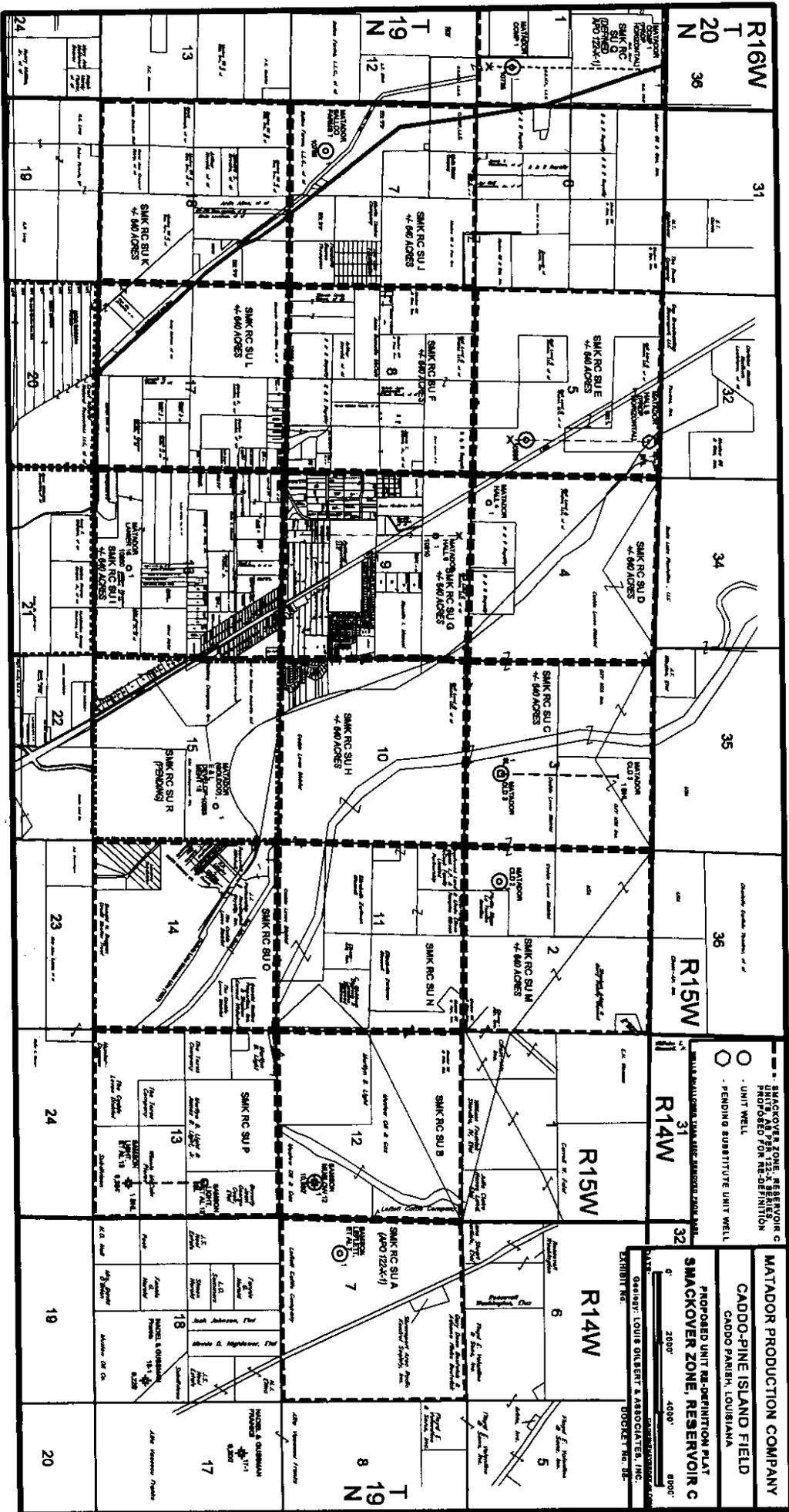
MATADOR PRODUCTION COMPANY  
 CADDO-PINE ISLAND FIELD

COTTON VALLEY RESERVOIR A  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION  
 COTTON VALLEY RESERVOIR B  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION  
 COTTON VALLEY RESERVOIR C  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION  
 COTTON VALLEY RESERVOIR D  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION  
 COTTON VALLEY RESERVOIR E  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION  
 COTTON VALLEY RESERVOIR F  
 MATADOR PRODUCTION COMPANY  
 PROPOSED FOR RE-DEFINITION

**MATADOR PRODUCTION COMPANY**  
**CADDO-PINE ISLAND FIELD**  
 CADDO PARISH, LOUISIANA  
**PROPOSED UNIT RE-DEFINITION PLAN**  
**COTTON VALLEY FORMATION,**  
**RESERVOIRS A AND E**  
 5000'  
 Geologist: LOUIS GILBERT & ASSOCIATES, INC.  
 BRITNEY, LA. DOCKET NO. 21-



Surveyed 19 64 11:00



3/20/2010 10:00 AM