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September 13, 2010

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

Re: APPLICATION FOR PUBLIC HEARING.

UL 1-4 Zone, Reservoir A, LAROSE FIELD, Lafourche Parish, Louisiana.

Dear Sir:

SQUARE MILE ENERGY, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the UL 1-4 Zone, Reservoir A, in the Larose Field, Lafourche Parish, Louisiana:

1. To establish rules and regulations governing the exploration for and production of oil and gas from the UL 1-4 Zone, Reservoir A.

2. To create a single drilling and production unit for the UL 1-4 Zone, Reservoir A, such unit being shown on the attached plat and being designated UL 1-4 RA SUA.

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

4. To designate an operator of, and unit well for, the proposed unit as may be appropriate.

5. To provide that future wells drilled to the UL 1-4 Zone, Reservoir A, within the unit proposed herein be exempt from the spacing provisions of LAC 43:XIX 1901 et seq. (Statewide Order No. 29-E).

6. To provide that future wells drilled to the UL 1-4 Zone, Reservoir A, outside of the unit proposed herein be located in accordance with the spacing provisions of LAC 43:XIX 1901 et seq. (Statewide Order No. 29-E).

7. To provide that the Commissioner of Conservation may reclassify the UL 1-4 Zone, Reservoir A, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

8. To define the UL 1-4 Zone, Reservoir A, in the Larose Field, Lafourche Parish, Louisiana, as that oil and gas bearing zone encountered between the depths of 10,703 feet and 11,460 feet (electrical

log measurements) in the Pennzoil Producing Company--M. R. Fee 852 No. 11 Well, located in Section 38, Township 16 South, Range 21 East, Lafourche Parish, Louisiana.

9. To consider such other matters as may be pertinent to this zone and reservoir.

Pertinent data concerning this application will be available for inspection at the offices of Leon E. Comeaux & Associates, Post Office Box 53922, Lafayette, Louisiana 70505. Any person wishing to inspect any such data should call Mr. Bill McAlister at (337) 233-9839 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 August 23, 2010, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set September 16, 2010, as the tentative date for the pre-application conference. No conference request was received within the delays provided for in the Rules of Procedure; accordingly, no pre-application conference will 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 the unit plat (which is identical to the unit plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to each of 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 plat, 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 Larose 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 Square Mile Energy, L.L.C.

DLS:dp
Enclosures
cc: Mr. Richard Hudson (w/encls.)
Mr. Gary Wagner (w/encls.)
Ms. Connie Noble (w/encls.)
Mr. Bill McAlister (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

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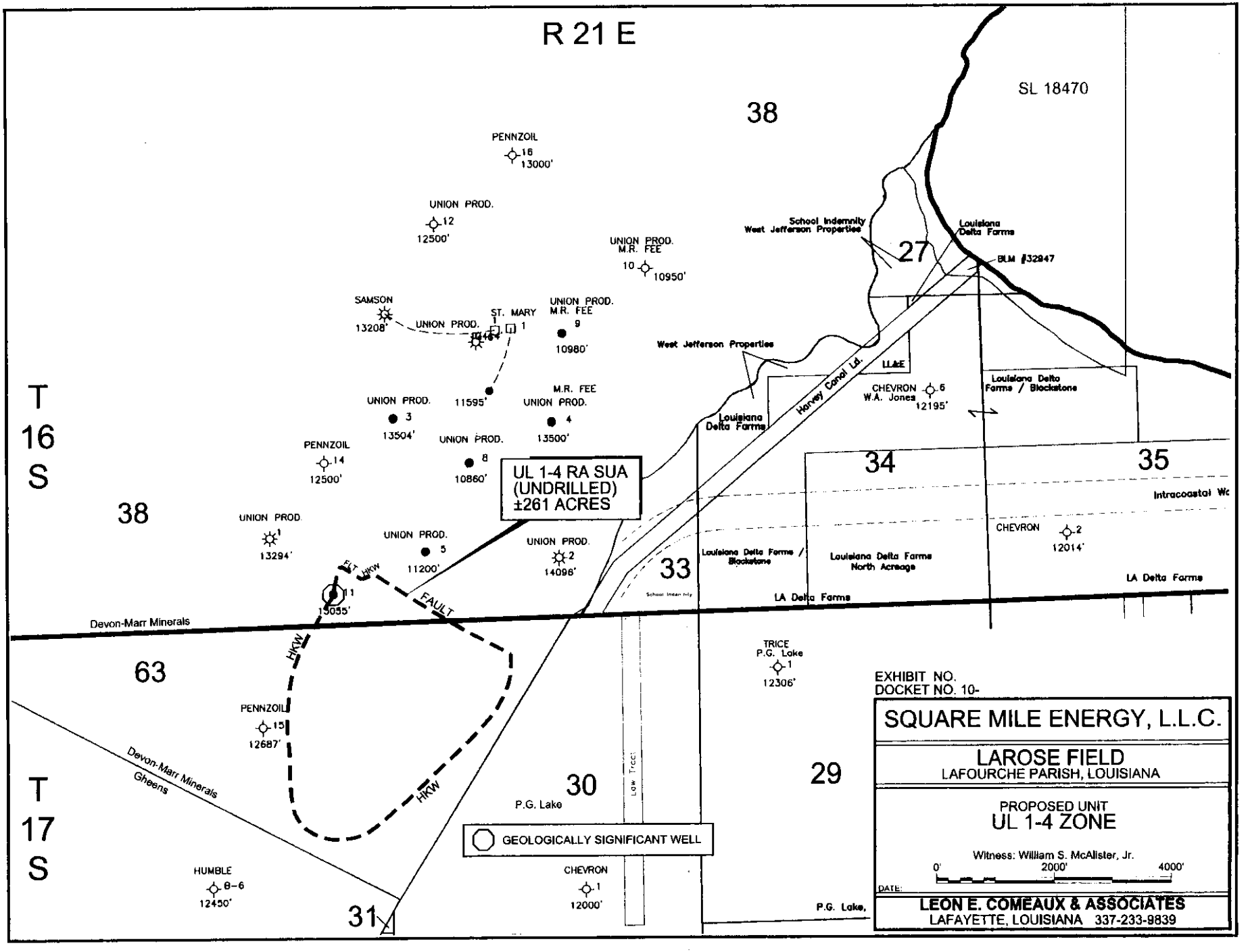
R 21 E
T 16 S
T 17 S
38
38
63
27
34
35
33
30
29
31
SL 18470
PENNZOIL 16 13000'
UNION PROD. 12 12500'
UNION PROD. M.R. FEE 10 10950'
SAMSON 13208'
UNION PROD. 14
ST. MARY 1
UNION PROD. M.R. FEE 9 10980'
11595'
M.R. FEE
UNION PROD. 3 13504'
UNION PROD. 4 13500'
PENNZOIL 14 12500'
UNION PROD. 8 10860'
UNION PROD. 1 13294'
UNION PROD. 5 11200'
UNION PROD. 2 14096'
11 15055'
PENNZOIL 15 12687'
HUMBLE B-6 12450'
CHEVRON 1 12000'
TRICE P.G. Lake 1 12306'
CHEVRON W.A. Jones 6 12195'
CHEVRON 2 12014'
UL 1-4 RA SUA (UNDRILLED) ±261 ACRES
FAULT
HKW
Devon-Marr Minerals
Devon-Marr Minerals Gheens
P.G. Lake
P.G. Lake,
LA Delta Farms
Louisiana Delta Farms
Louisiana Delta Farms / Blackstone
Louisiana Delta Farms North Acreage
West Jefferson Properties
School Indemnity West Jefferson Properties
Harvey Canal Ld.
LL&E
BLM #32947
Intracoastal Wa
Low Tract
GEOLOGICALLY SIGNIFICANT WELL
EXHIBIT NO.
DOCKET NO. 10-
SQUARE MILE ENERGY, L.L.C.
LAROSE FIELD
LAFOURCHE PARISH, LOUISIANA
PROPOSED UNIT
UL 1-4 ZONE
Witness: William S. McAlister, Jr.
0' 2000' 4000'
DATE:
LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839