

May 25, 2010

Ref: 2976-24074

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

Re: Hearing Application
Lower Tex W Zone, Reservoir B
WEST DEER ISLAND FIELD
Terrebonne Parish, Louisiana
Applicant: Castex Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Castex Energy, Inc.** 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 Lower Tex W Zone, Reservoir B in the West Deer Island Field, Terrebonne Parish, Louisiana.

1. To create a single drilling and production unit of approximately 170 acres for the Lower Tex W Zone, Reservoir B designated as the L TEX W RB SUA, West Deer Island Field, Terrebonne Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of oil and gas from the said unit;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To designate the Castex Energy, Inc.-CL&F No. 5 Well as the unit well for said unit, such well to be at the location shown on the plat attached hereto and made a part hereof;
5. To permit applicant, Castex Energy, Inc. to drill, designate and utilize the Castex Energy, Inc. (formerly LL&E)-CL&F No. 1 Well as an alternate unit well for the L TEX W RB SUA, such well to be at the location shown on the plat attached hereto and made a part hereof;
6. To make a specific finding that such proposed alternate unit well is necessary to effectively and efficiently drain

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- a portion of the L TEX W RB SUA which cannot be efficiently and economically drained by any other well within the unit;
7. To grant a single unit allowable for the L TEX W RB SUA and to permit the operator of the unit to produce said unit allowable from the unit well, the proposed alternate unit well, or from any combination at its options;
 8. To designate Castex Energy, Inc. as operator of the L TEX W RB SUA created herein;
 9. To consider such other matters relating to the subject reservoirs as may be appropriate and justified by the evidence presented at the public hearing.

The Lower Tex W Zone, Reservoir B, in the West Deer Island Field, Terrebonne Parish, Louisiana, is hereby defined as that oil and gas bearing zone between the depths of 12,870' and 13,596' measured depth (12,440 to 12,997 vertical depth) in the electric log of the Energy XXI, Inc. (formerly Howell Petroleum), Lacoste et al No. 1 Sidetrack 2 Well (SN 220458), located in Section 20, Township 18 South, Range 12 East, Terrebonne Parish, Louisiana.

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, the Commissioner of Conservation, the District Manager of the Lafayette District of the Office of Conservation and all interested owners, represented parties and interested parties known to the applicant after a reasonable search were notified in writing in the pre-application notice dated May 12, 2010 that a conference to discuss the proposed application was tentatively scheduled for 10:00 a.m. on Wednesday, June 2, 2010. It was stated at that time that this conference would be held only if a request to confer were received by the undersigned within ten (10) calendar days after the date of the pre-application notice. No requests to confer were received either in writing or by telephone and, in accordance with the Rules of Procedure, the tentatively scheduled conference **WILL NOT BE HELD**.

Attached hereto and made a part hereof is a plat outlining the L TEX W RB SUA, West Deer Island Field, Terrebonne Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Art Christy of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, La 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,



B. J. Duplantis

BJD/ht

Attachments

cc: Mr. Richard Hudson
District Manager, Office of Conservation

All Interested Owners, Represented Parties
and Interested Parties

