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May 5, 2010

APPLICATION

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12152-69753

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

RE: E Zone, Reservoir A
Little Lake Field
Jefferson Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **JGC ENERGY DEVELOPMENT (USA) INC.**, for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **E Zone, Reservoir A**, in the **Little Lake Field**, Jefferson Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated E RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;

3. To designate JGC Energy Development (USA) Inc. as operator of, and its J. Fisher Hrs. No. 1 Well as the unit well for, the proposed unit;
4. To provide that any future wells drilled to the E Zone, Reservoir A, within the proposed unit, should be exempt from the spacing provisions of Statewide Order 29-E;
5. To provide that any future wells drilled to the E Zone, Reservoir A, outside of the proposed unit, should be located in accordance with the spacing provisions of Statewide Order 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

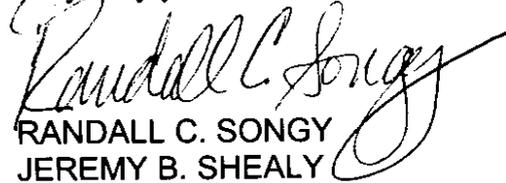
The E Zone, Reservoir A, in the Little Lake Field, Jefferson Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 10,796 feet and 11,772 feet, electrical log measurements (10,530' to 11,381' true vertical depth) in the JGC Energy Development (USA) Inc. - J. Fisher Hrs No. 1 Well, located in Section 17, Township 18 South, Range 23 East.

A conference to discuss the proposed application and any opposition thereto was held at on March 19, 2010, at the Onebane Law Firm, 1200 Camellia Blvd, Suite 300, Lafayette, Louisiana. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a discussion on unitization and the Rules of Procedure. Bill McAlister, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and in a collaborative effort, Mr. Songy and Mr. McAlister answered questions. A counterplan was presented by David Sturlese on behalf of the Fisher heirs. The parties had some discussion at the conference about a resolution of differences and the parties agreed to continue those discussions after the conference. The conference was then adjourned. A compromise was later reached to revise the unit as referenced on the attached plat. Therefore, we anticipate there will be no opposition at the hearing.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Bill McAllister with Leon E. Comeaux & Associates, P.O. Box 53922, Lafayette, LA 70505, (337) 233-9839.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,



RANDALL C. SONGY
JEREMY B. SHEALY

RCS/JBS/smp/dmw
Enclosures

cc: Interested Owners, Represented Parties,
and Interested Parties

Mr. Jim Broussard, District Manager
Office of Conservation

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed unit.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

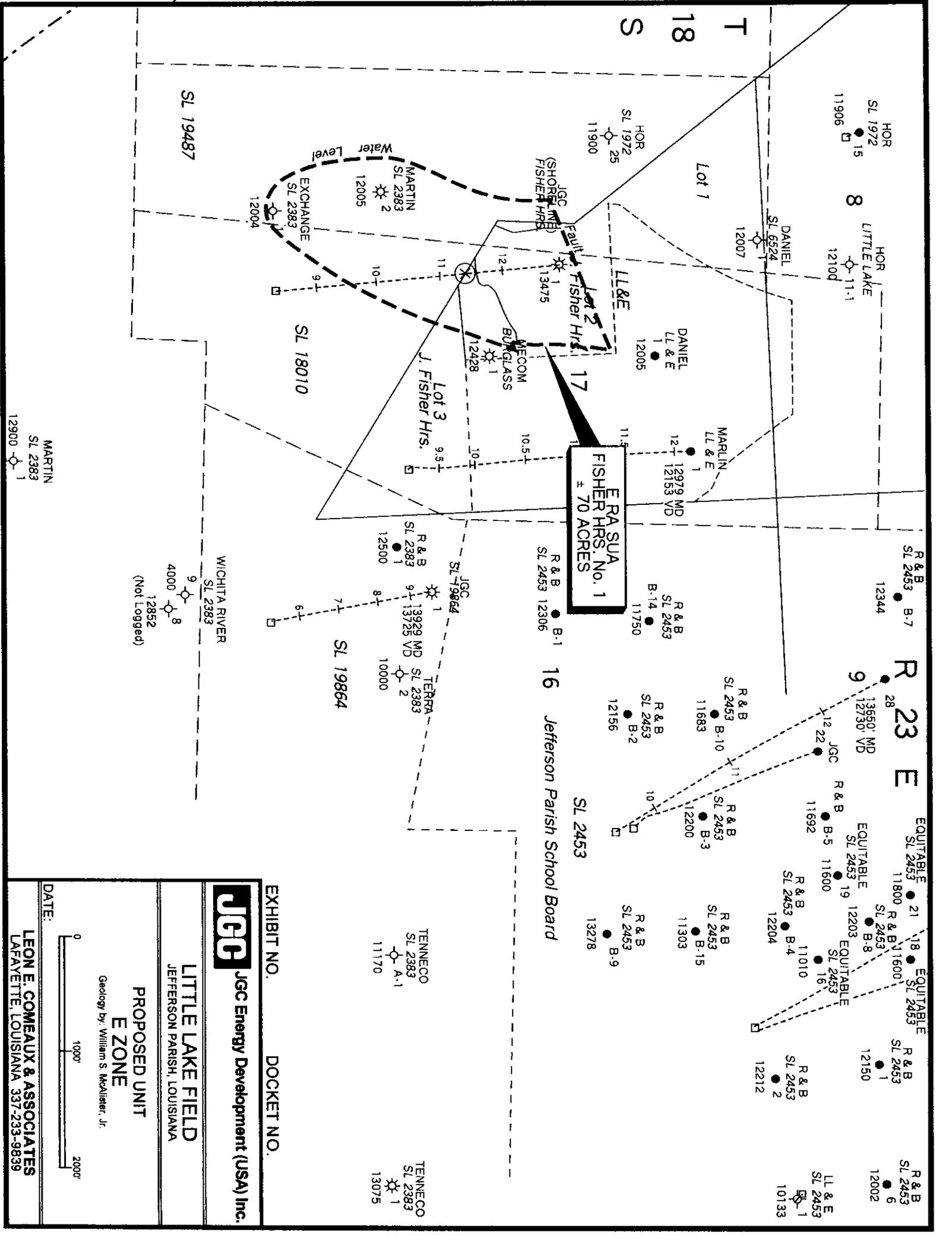


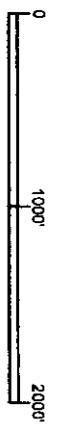
EXHIBIT NO. _____ DOCKET NO. _____

JGC JGC Energy Development (USA) Inc.

LITTLE LAKE FIELD
JEFFERSON PARISH, LOUISIANA

PROPOSED UNIT
E ZONE

Geology By: William S. McAllister, Jr.



DATE: _____
LEON E. COMEAUX & ASSOCIATES
LAFAYETTE, LOUISIANA 337-233-9839