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January 19, 2011

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, Reservoir A, BETHANY-  
LONGSTREET FIELD, DeSoto Parish, Louisiana.

Dear Sir:

INDIGO MINERALS LLC ("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 Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a horizontal well as an alternate unit well for CV RA SU107 at the location shown on the attached plat, and to approve an exception to the spacing provisions of Office of Conservation Order No. 289-J, effective March 1, 1974, for all productive portions of the wellbore of this well located at least 330 feet from a unit boundary.
2. To find that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SU107 which cannot be efficiently and economically drained by any existing well on such unit.
3. To provide that where the horizontal portion of the well is cased, the distance to any unit boundary and between offset well(s) will be calculated based on the distance to the nearest perforation in the well and not on the penetration point or terminus of the well in the Cotton Valley Formation.
4. To permit the operator of CV RA SU107 to produce the unit allowable from either the unit well, from any alternate unit well, or from any combination of such wells, at the option of the Operator.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective

Honorable James H. Welsh  
January 19, 2011  
Page 2

March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Craig Barclay, 522 Dumbarton, Shreveport, Louisiana 71106. Any person wishing to inspect any 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 Office of Conservation can be obtained from Applicant at the expense of the requesting party.

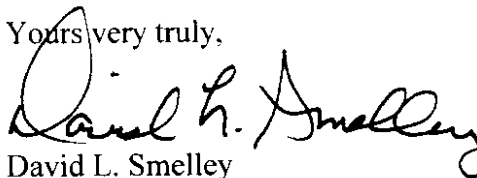
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid 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 this letter, and of the attached plat, is being sent to the District Manager of the Shreveport 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 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 Bethany-Longstreet 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

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DLS:dp

Enclosures

cc: Mr. James C. Broussard (w/encls.)  
Mr. Mason Lemmond (w/encls.)  
Ms. Kaye Davis (w/encls.)  
Mr. Craig Barclay (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/copy of plat only)

