LOUIS GILBERT & ASSOCIATES, INC.
Consulting Geologists
3636 North Causeway Boulevard, Suite 204
Metairie, Louisiana 70002-7216

Telephone
(504) 834-8112

Facsimile
(504) 834-1736

April 6, 2011

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

RE: Authority of Commingling
VUA (Rigolets LP Voluntary Unit A)
into Little Lake Commingling Facility No. 1
Little Lake Field
Jefferson Parish, Louisiana

Dear Sir:

Pursuant to Statewide Order No. 29-D-1, LAC 43:XIX.1505.1, Application is hereby made on behalf of Hilcorp Energy Company for the calling of a public hearing after legal notice to consider evidence relative to the issuance of an Order authorizing the surface commingling of production and production allocation on the basis of monthly well tests from VUA (Rigolets LP Voluntary Unit A) located in Little Temple Field, Jefferson Parish, Louisiana at the existing Little Lake Commingling Facility No. 1 located in the Little Lake Field, Jefferson Parish, Louisiana.

In compliance with the applicable provisions of Statewide Order No. 29-D-1, LAC 43:XIX.1505.1, enclosed herewith are the following:

1. Completed Form 29-D-1: Application for Surface Commingling of Natural Gas and Liquid Hydrocarbons.

2. A detailed schematic flow diagram of the facilities.

3. A detailed Description of Operations explaining the flow of natural gas, liquid hydrocarbons and produced water through the facility; the procedures for testing and allocation of natural gas, liquid hydrocarbons and produced water and the frequency of calibration of the devices used measure natural gas, liquid hydrocarbons and produced water.

4. A list of Interested Parties

5. A check in the amount of $503.00, which along with Castex Check No. 125323 dated 10/25/10, in the amount of $252.00 represents the required hearing application fee.

It is the opinion of Hilcorp that the commingling of natural gas and liquid hydrocarbons, and the use of well tests for allocation of production

in the manner proposed herein will provide reasonably accurate measurement, will not create inequities, and will offer the owners of any interest therein the opportunity to recover their just and equitable share of production or revenues accruing from the unit and wells under consideration.

A reasonable effort was made to ascertain the names and addresses of all interested parties. The list of interested parties is being furnished only to the Commissioner of Conservation and the District Manager, the Lafayette District of the Office of Conservation. However, the list of Interested Parties will be provided to any party upon request.

Very truly yours,
LOUIS GILBERT & ASSOCIATES, INC.

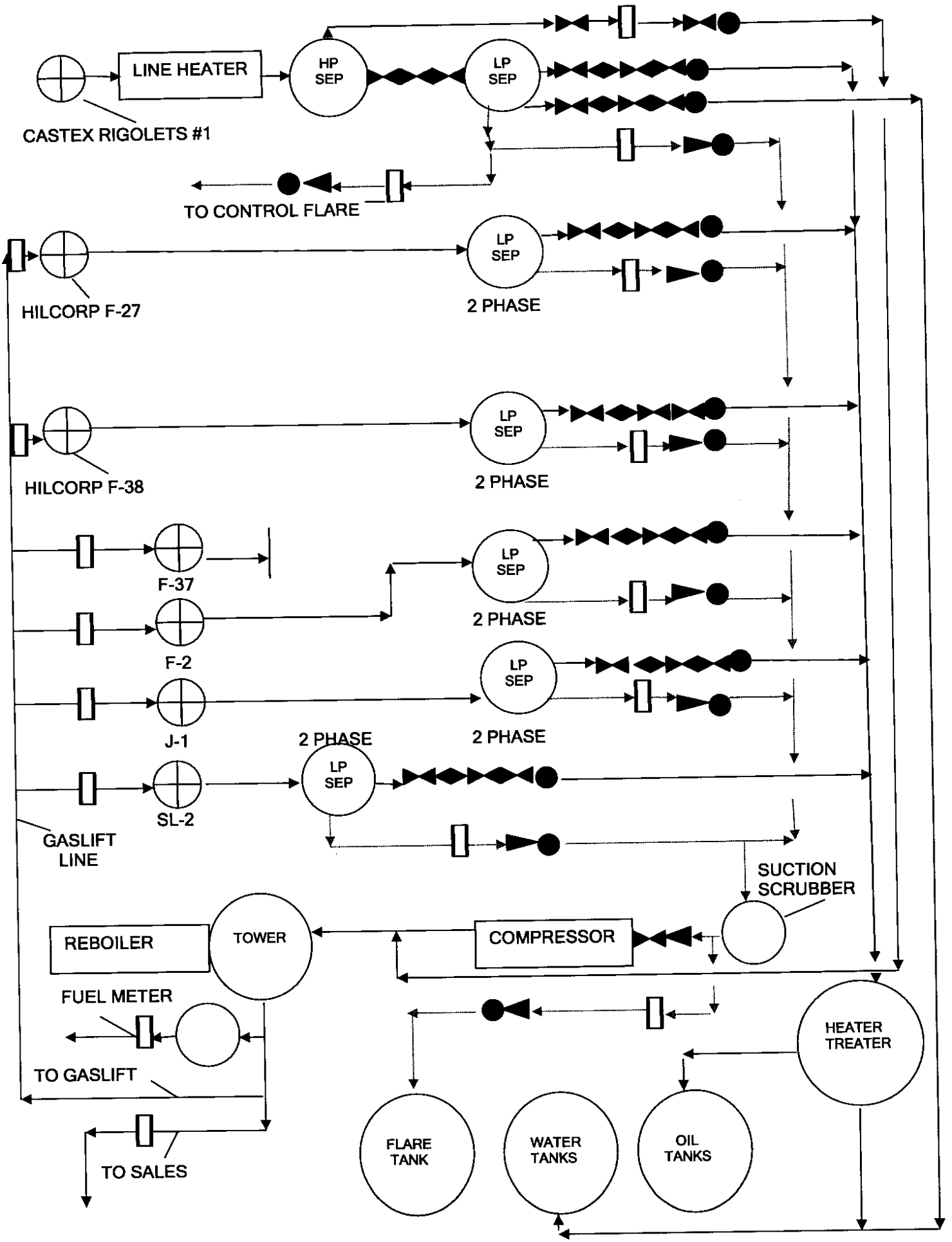
Louis F. Gilbert

Louis F. Gilbert

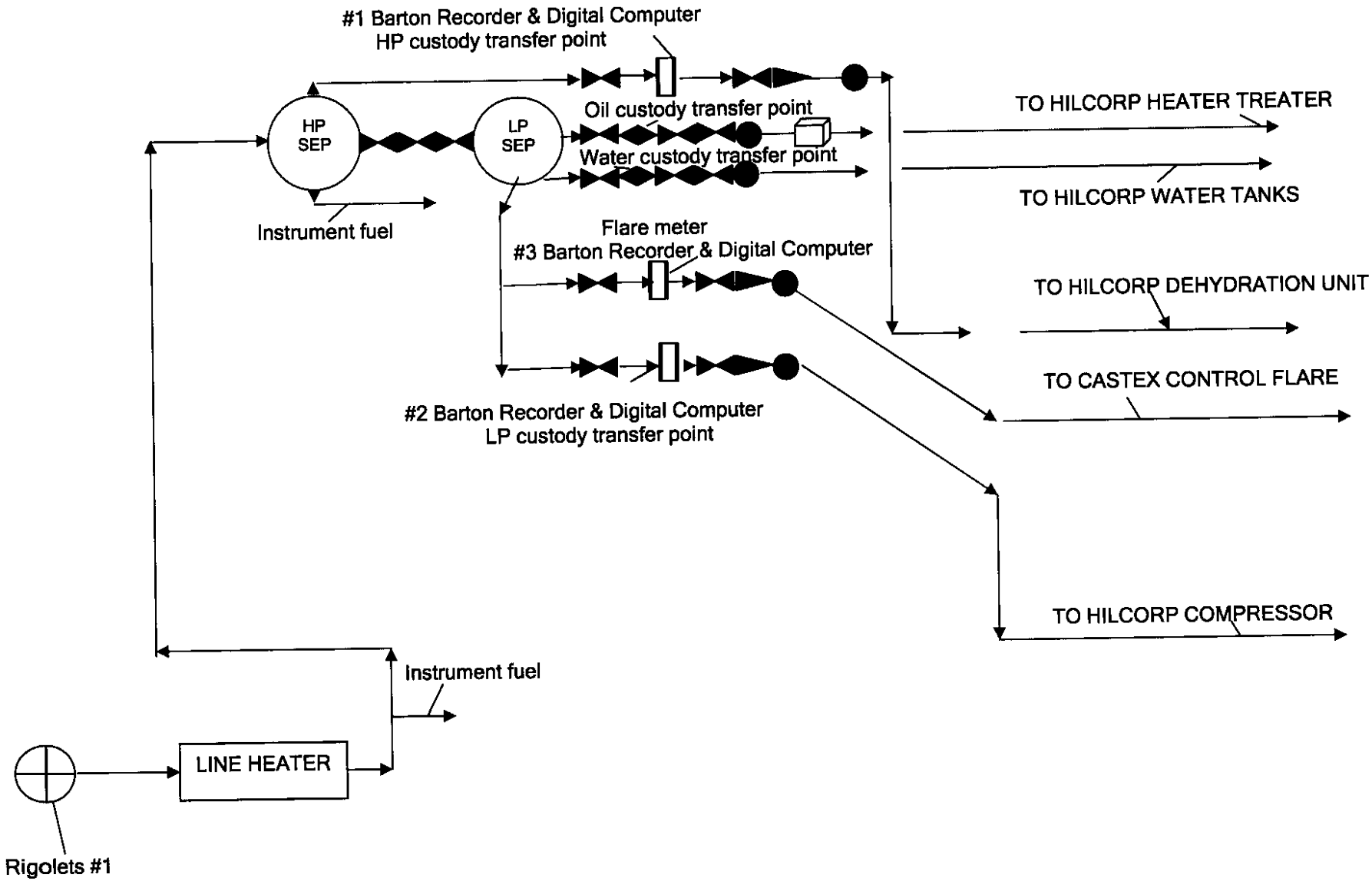
cc: Mr. Richard Hudson (w/enclosures)

Hilcorp Energy Company (w/enclosures)

All Interested Parties (w/Form 29-D-1, Schematic and Description of Operations)


LINE HEATER
HP SEP
LP SEP
CASTEX RIGOLETS #1
TO CONTROL FLARE
HILCORP F-27
LP SEP
2 PHASE
HILCORP F-38
LP SEP
2 PHASE
F-37
F-2
J-1
SL-2
LP SEP
2 PHASE
LP SEP
2 PHASE
2 PHASE
LP SEP
GASLIFT LINE
SUCTION SCRUBBER
REBOILER
TOWER
COMPRESSOR
FUEL METER
HEATER TREATER
TO GASLIFT
TO SALES
FLARE TANK
WATER TANKS
OIL TANKS

CASTEX ENERGY
LITTLE LAKE FIELD



LITTLE LAKE

LEGEND:

1. TOTAL FLOW (GAS, OIL, AND WATER)
2. HIGH PRESSURE GAS
3. TOTAL FLUIDS (OIL, AND WATER)
4. OIL
5. LOW PRESSURE GAS
6. WATER
7. BALL VALVE
8. DUMP VALVE
9. TURBINE METER
10. CHECK VALVE
11. GAS METER
12. BACK PRESSURE VALVE
13. OIL SAMPLER

Hilcorp Energy Company

Post Office Box 61229
Houston, TX 77208-1229

1201 Louisiana Street
Suite 1400
Houston, TX 77002

Phone: 713/209-2400
Fax: 713/209-2478

Description of Operations
Commingling Facility No. 1 (CF92759)
Little Lake Field
Jefferson Parish, Louisiana

The Little Lake Commingling Facility No. 1 (LLCF) commingles all production originating in the Little Lake Field, as illustrated on the attached list of leases and units and commingling schematic diagram.

Explanation of Flow

Wells currently flowing to this facility are:
LL E 4 RA SU; SL 1972 #2 (SN 49466)
LL & E J #1 (SN 50861)
LL E 1 RB SU; LL & E F #2 (SN 45064)
LL BN – 1A RB SU; LL & E F #38 (SN 217915)
LL E 2A RB SU; LL & E F #27 (SN 71899)
VUA; RIGOLETS LP #1 (SN 240733)

1. LL E 4 RA SU; SL 1972 #2 is a gaslift well it flows to its own 2 phase separator where the gas and fluids are separated. The gas is metered and sent to the compressor suction scrubber. The gas is then compressed and sent to the dehydration unit. The dry gas is used as fuel which is metered, gaslift which is metered or sales which is metered. The fluids are sent to a heater treater where the oil and water are separated. The oil is then sent to the oil tanks and the water to the water tanks. The production (gas, oil, and water) is measured by continuous meters. The total fluids are metered and the oil percentage is determined by shake out. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

2. LL & E J #1 is a gaslift well it flows to its own 2 phase separator where the gas and fluids are separated. The gas is metered and sent to the compressor suction scrubber. The gas is then compressed and sent to the dehydration unit. The dry gas is used as fuel which is metered, gaslift which is metered or sales which is metered. The fluids are sent to a heater treater where the oil and water are separated. The oil is then sent to the oil tanks and the water to the water tanks. The production (gas, oil, and water) is measured by continuous meters. The total fluids are metered and the oil percentage is determined by shake out. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

3. LL E 1 RB SU; LL & E F #2 is a gaslift well it flows to its own 2 phase separator where the gas and fluids are separated. The gas is metered and sent to the compressor suction scrubber. The gas is then compressed and sent to the dehydration unit. The dry gas is used as fuel which is metered, gaslift which is metered or sales which is metered. The fluids are sent to a heater treater where the oil and water are separated. The oil is then sent to the oil tanks and the water to the water tanks. The production (gas, oil, and water) is measured by continuous meters. The total fluids are metered and the oil percentage is determined by shake out. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

4. LL BN-1A RB SU; LL & E F #38 is a gaslift well it flows to its own 2 phase separator where the gas and fluids are separated. The gas is metered and sent to the compressor suction scrubber. The gas is then compressed and sent to the dehydration unit. The dry gas is used as fuel which

is metered, gaslift which is metered or sales which is metered. The fluids are sent to a heater treater where the oil and water are separated. The oil is then sent to the oil tanks and the water to the water tanks. The production (gas, oil, and water) is measured by continuous meters. The total fluids are metered and the oil percentage is determined by shake out. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

5. LL E 2A RB SU; LL & E F #27 is a gaslift well it flows to its own 2 phase separator where the gas and fluids are separated. The gas is metered and sent to the compressor suction scrubber. The gas is then compressed and sent to the dehydration unit. The dry gas is used as fuel which is metered, gaslift which is metered or sales which is metered. The fluids are sent to a heater treater where the oil and water are separated. The oil is then sent to the oil tanks and the water to the water tanks. The production (gas, oil, and water) is measured by continuous meters. The total fluids are metered and the oil percentage is determined by shake out. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

6. VUA; RIGOLETS LP #1 is a high pressure gas well. It flows through a lineheater then to its own two phase hp separator where the gas and fluids are separated. The hp gas is metered and sent to the dehydration unit. The dry gas is used as fuel which is metered, gaslift which is metered or sales which is metered. The fluids are dumped to a 3 phase lp separator where the gas, oil, and water are separated and metered. The metered lp gas is then sent to the compressor suction scrubber or to a control flare which is metered. It is then compressed and sent to the dehydration unit or flared. The dry gas is used as fuel which is metered, gaslift which is metered, or sales which is metered. The oil is metered and sent to the heater treater and then to the oil tanks. The water is metered and sent straight to the water tanks. The Oil and Water are metered separately and production determined by continuous meters. All meters whether turbine, barton, or electronic flow meters are calibrated monthly by a third party.

Explanation of Allocations

Oil: Totally monthly oil sales are based on the volume of oil sold and transported by barge. The oil sales tank is strapped before and after loading to determine the volume sold. Individual oil production will be allocated to each well based on the following formula:

$$\frac{\text{Individual Oil Test Volume}}{\text{Sum of Individual Oil Test Volumes}} \times \text{Total Monthly Oil Sales Volume}$$

Gas: The total monthly gas is measured at the Tennessee Gas Pipeline Sales Meter. Total gas, to be allocated back to each well, is the sum of gas sales, fuel gas, flare gas minus gas lift gas metered volumes. Gas lift gas is deducted from each well on gas lift by subtracting the gas lift metered volumes at each well on lift. Individual gas production will be allocated to each well based on the following formula:

$$\frac{\text{Individual Gas Test Volume}}{\text{Sum of Individual Gas Test Volumes}} \times \text{Sum (Total Gas Sales Volume + Fuel Gas + Flare Gas - Metered Well Gas Lift Volume)}$$