Chevron

Chevron U.S.A. Production Co.
935 Gravier Street
New Orleans, LA 70112

Arthur P. Mitchell
Senior Counsel
Law Department
(504) 592-6777
Fax (504) 592-7072

July 16, 2001

Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

Re: Unit Application
9300' Sand, Reservoir A
Bay Marchand Block 2 Field
Lafourche Parish, LA

Dear Commissioner Asprodites:

Application is hereby made by Chevron U.S.A. Inc. ("Applicant") 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 9300' Sand, Reservoir A, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the 9300' Sand, Reservoir A, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.

2. To create one drilling and production unit for the 9300' Sand, Reservoir A, in the Bay Marchand Block 2 Field.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each separate tract sharing in unit production on a surface acreage basis of participation.

4. To designate the Applicant as operator of the proposed unit.

5. To designate the Chevron U.S.A. Inc. – State Lease 1486 No. 10 S/T-1 Well as the unit well for said unit in exception to the spacing provisions of Statewide Order No. 29-E.

Recycled
Recyclable

6. To provide that any future replacement and/or alternate unit wells drilled to the 9300' Sand, Reservoir A, shall be exempt from the spacing provisions of Statewide Order No. 29-E.

7. 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 change and evidence to justify such reclassification is submitted to and accepted by the Commissioner.

8. To consider such other matters as may be pertinent to this application.

The 9300' Sand, Reservoir A, in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana, is defined as that oil and gas bearing sand encountered between the depths of 9711' and 9772' (electric log measurements) (subsea depths of –9131' and –9178') in the Chevron U.S.A. Inc. – State Lease 1486 No.10 S/T-1 Well located in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana.

A pre-application notice letter dated June 28, 2001, was mailed to the Commissioner of Conservation with copies being sent to the District Manager of the Lafayette District of the Office of Conservation and to each Interested Owner and Represented Party. A conference was not requested and accordingly, none was held.

All pertinent data relating to the subject application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should call Mr. Dugue' Daigle at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained from Mr. Daigle **at the cost of the requesting party.**

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of the names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

Finally, enclosed is a Chevron check in the amount of $700.00 payable to the State of Louisiana, Office of Conservation to cover the hearing costs.

Kindly set this matter for hearing at the earliest convenient date.

Respectfully submitted,

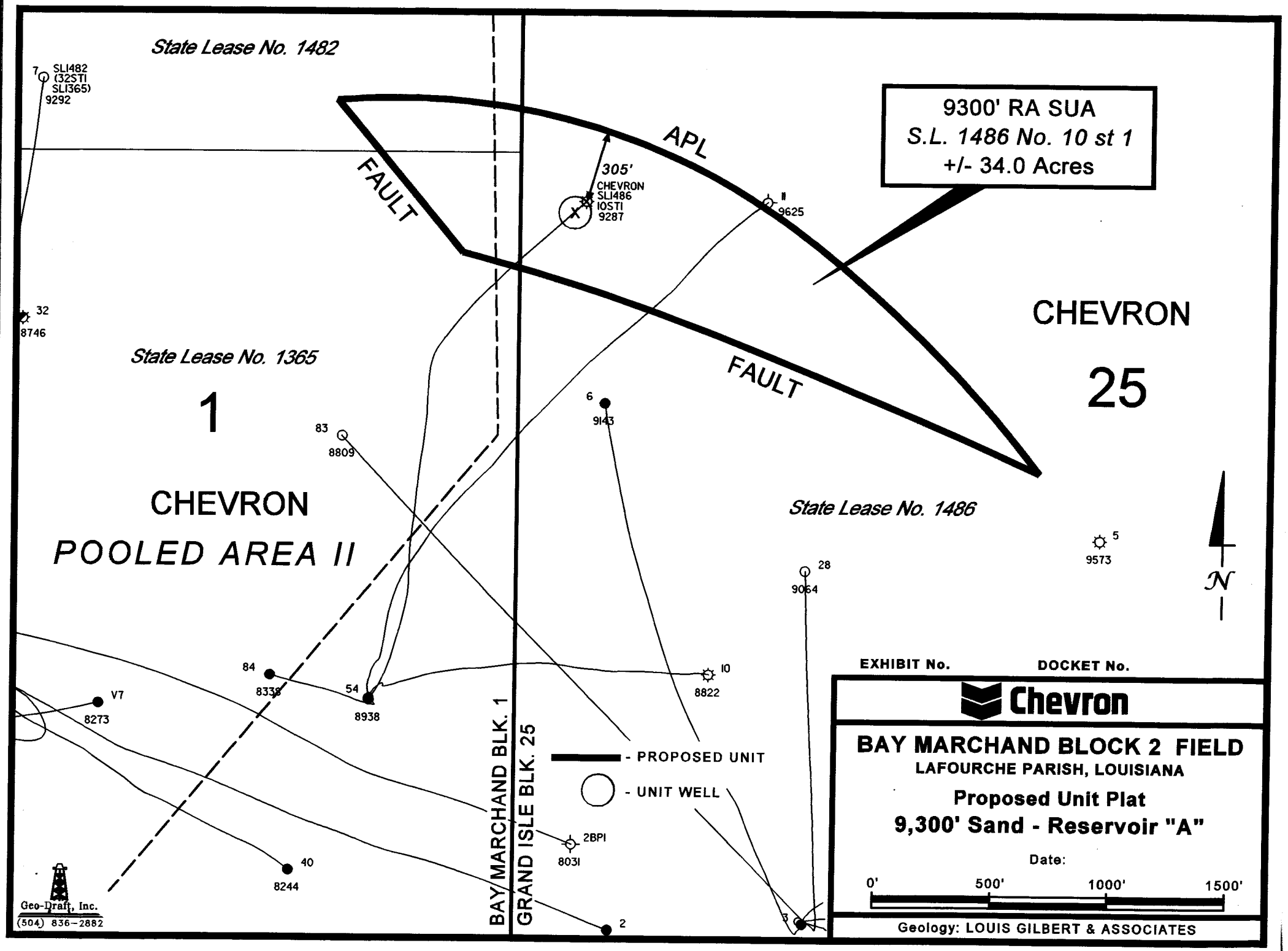
CHEVRON U.S.A. INC.

By Arthur P Mitchell

cc: Mr. Richard D. Hudson
District Manager
Office of Conservation
825 Kaliste Saloom Road
Brandwine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners
and Represented Parties

APM/no:205


State Lease No. 1482
7
SLI482
(32STI
SLI365)
9292
9300' RA SUA
S.L. 1486 No. 10 st 1
+/- 34.0 Acres
APL
FAULT
305'
CHEVRON
SLI486
10STI
9287
11
9625
CHEVRON
25
32
8746
State Lease No. 1365
1
FAULT
6
9143
83
8809
CHEVRON
POOLED AREA II
State Lease No. 1486
5
9573
28
9064
N
84
8338
54
8938
10
8822
V7
8273
BAY MARCHAND BLK. 1
GRAND ISLE BLK. 25
- PROPOSED UNIT
- UNIT WELL
2BPI
8031
40
8244
2
3
Geo-Draft, Inc.
(504) 836-2882
EXHIBIT No.
DOCKET No.
Chevron
BAY MARCHAND BLOCK 2 FIELD
LAFOURCHE PARISH, LOUISIANA
Proposed Unit Plat
9,300' Sand - Reservoir "A"
Date:
0'
500'
1000'
1500'
Geology: LOUIS GILBERT & ASSOCIATES