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November 12, 2002

DATE RECEIVED 11/12/02
OFFICE OF CONSERVATION

REC	INIT		
1	JHW	W	11/12
	FJR		
	GEO DIR		
	JRA		
	CDW		
	MGH		
	WSW		
	FILE		
	DESTROY		

Ck # 105944 att

APPLICATION

VIA HAND DELIVERY
Honorable James H. Welsh
Commissioner of Conservation
P.O., Box 94275
Baton Rouge, LA 70804-9275

RE: Pelican Zone, Reservoir A
Bayou Sauveur Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES, 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 in the Pelican Zone, Reservoir A, in the Bayou Sauveur Field, Terrebonne 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;

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 provide that any future wells drilled to the Pelican Zone outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E;

4. To provide that the Commissioner of Conservation should be authorized to reclassify the Pelican Zone, Reservoir A, 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 of Conservation; and

5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Pelican Zone in the Bayou Sauveur Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 14,995 feet and 17,242 feet (electrical log measurements), in the J. P. Owen - Harry Bourg Corporation No. 1 Well located in Section 12, Township 20 South, Range 16 East, Terrebonne Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:00 a.m. on Tuesday, November 12, 2002, at the Onebane Law Firm, 102 Versailles Blvd., Suite 600, Lafayette, Louisiana 70502, (337) 237-2660. 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 brief discussion of the Rules of Procedure. Holmes Smart, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. Jamie Funderburk, attorney for Harry Bourg Corporation and W. C. Oliver, Jr., geological consultant for the Harry Bourg Corporation presented a counterplan. The conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Frank Harrison, Jr., 200 Audubon Blvd, Lafayette, Louisiana 70503, (337) 232-4031.

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 to whom this unitization proposal 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 provided to any party requesting a copy of it. A reasonable effort was made to ascertain

the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of $700.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SONGY

RCS/bad

Enclosures

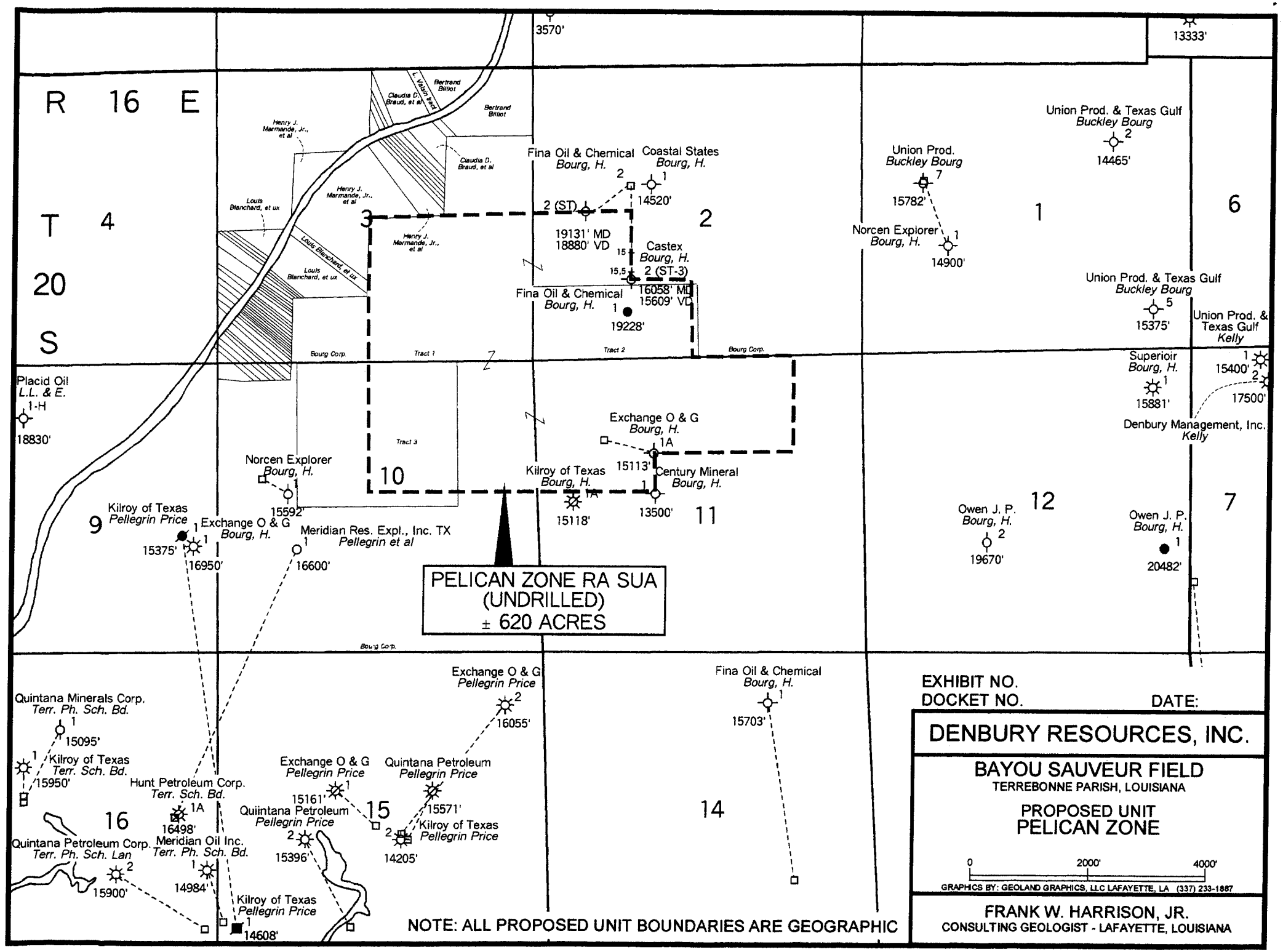
cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties
and Represented Parties

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 units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

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.



R 16 E
T 4
20 S
3570'
13333'
Bertrand Billiot
Claudia D. Braud, et al
L. Valsin tract
Henry J. Marmande, Jr., et al
Louis Blanchard, et ux
Fina Oil & Chemical
Bourg, H.
Coastal States
Bourg, H.
14520'
2 (ST)
19131' MD
18880' VD
Castex
Bourg, H.
2 (ST-3)
16058' MD
15609' VD
Fina Oil & Chemical
Bourg, H.
19228'
Union Prod. & Texas Gulf
Buckley Bourg
14465'
Union Prod.
Buckley Bourg
15782'
Norcen Explorer
Bourg, H.
14900'
Union Prod. & Texas Gulf
Buckley Bourg
15375'
Union Prod. & Texas Gulf
Kelly
Superioir
Bourg, H.
15881'
15400'
17500'
Denbury Management, Inc.
Kelly
Placid Oil
L.L. & E.
1-H
18830'
Bourg Corp.
Tract 1
Tract 2
Tract 3
Exchange O & G
Bourg, H.
15113'
Century Mineral
Bourg, H.
13500'
Kilroy of Texas
Bourg, H.
15118'
Norcen Explorer
Bourg, H.
15592'
Kilroy of Texas
Pellegrin Price
15375'
Exchange O & G
Bourg, H.
16950'
Meridian Res. Expl., Inc. TX
Pellegrin et al
16600'
Owen J. P.
Bourg, H.
19670'
Owen J. P.
Bourg, H.
20482'
PELICAN ZONE RA SUA
(UNDRILLED)
± 620 ACRES
Quintana Minerals Corp.
Terr. Ph. Sch. Bd.
15095'
Kilroy of Texas
Terr. Sch. Bd.
15950'
Hunt Petroleum Corp.
Terr. Sch. Bd.
16498'
Quintana Petroleum Corp.
Terr. Ph. Sch. Lan
15900'
Meridian Oil Inc.
Terr. Ph. Sch. Bd.
14984'
Kilroy of Texas
Pellegrin Price
14608'
Exchange O & G
Pellegrin Price
16055'
Exchange O & G
Pellegrin Price
15161'
Quiintana Petroleum
Pellegrin Price
15396'
Quintana Petroleum
Pellegrin Price
15571'
Kilroy of Texas
Pellegrin Price
14205'
Fina Oil & Chemical
Bourg, H.
15703'
NOTE: ALL PROPOSED UNIT BOUNDARIES ARE GEOGRAPHIC
EXHIBIT NO.
DOCKET NO.
DATE:
DENBURY RESOURCES, INC.
BAYOU SAUVEUR FIELD
TERREBONNE PARISH, LOUISIANA
PROPOSED UNIT
PELICAN ZONE
0
2000'
4000'
GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887
FRANK W. HARRISON, JR.
CONSULTING GEOLOGIST - LAFAYETTE, LOUISIANA