BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: MAHALO ENERGY (USA) INC.

RELIEF SOUGHT: INCREASED DENSITY

LEGAL DESCRIPTION: SECTION 7, TOWNSHIP 9
NORTH, RANGE 16 EAST, MCINTOSH COUNTY,
OKLAHOMA

CAUSE CD 200807007-T

REPLACEMENT FOR FAX FILED ON

OCT 0 2 2008

COURT CLERK'S OFFICE - TULSA CORPORATION COMMISSION OF OKLAHOMA

## APPLICATION

COMES NOW Applicant and shows the Honorable Commission as follows:

1. <u>Parties</u>: Applicant herein is **Mahalo Energy (USA) Inc**, 5110 S Yale, Ste 101, Tulsa, OK 74135 (918)949-6829. The attorney for the Applicant is Michael D. Stack, 943 East Britton Road, Oklahoma City, Oklahoma 73114, Telephone: (405) 286-1717; Fax (405) 286-2122. The names and addresses of each person or governmental entity, other than the Applicant, currently having the right or claiming to have the right to participate in production from the Hartshorne common source of supply are set forth on Exhibit "A" attached hereto and made a part hereof.

## 2. <u>Facts</u>:

- 2.1 Applicant has the present right to drill in Section 7, Township 9 North, Range 16 East, McIntosh County, Oklahoma. Said Section 7 was designated as a 640 acre drilling and spacing unit for production from the Hartshorne common source of supply.
- 2.2 There are presently three wells completed in the Hartshorne common source of supply located in Section 7, Township 9 North, Range 16 East, McIntosh County, Oklahoma.
- 2.3 Since the date of entry of the drilling and spacing units additional or new data has been obtained in connection with the separate common sources of supply sufficient to show a substantial change in conditions or change in knowledge of conditions existing in said unit. It appears that the existing well will not and cannot effectively and efficiently drain all of the primarily recoverable hydrocarbons in such separate common sources of supply underlying such land. Therefore, the Commission should increase the well density for the Hartshorne common source of supply as an exception to Order No. 540358 for the drilling of an additional well in Section 7, Township 9 North, Range 16 East, McIntosh County, Oklahoma.
- 2.4 Applicant or some other party recommended by Applicant, request the Commission to authorize and permit an additional well in said Section 7 to produce hydrocarbons from the Hartshorne common source of supply, and the Commission should establish a proper allowable for such well and such units.
- 3. <u>Legal Authority</u>: Title 52, Sections 86.1, 87.1; Title 17, Sections 270 and 271; OCC-OGR Rule 165:10-19-3, OCC Rules of Practice
- 4. Relief Sought: Applicant requests the Commission to enter and order, to be effective as of the date of the execution thereof or as a date prior thereto, authorizing and permitting an additional well the 640-acre drilling and spacing units formed for the Hartshorne commen

MAHALO ENERGY (USA) INC. CAUSE CD NO. 20080 PAGE 2

source of supply in the captioned unit. The Applicant further request the authorization and permission to allow the additional well to produce hydrocarbons from such common sources of supply and to establish a proper allowable for said well.

WHEREFORE, Applicant prays that, after notice and hearing as required by law, the increased well density as requested by Applicant, be permitted.

Respectfully submitted,

MICHAEL D. STACK, P.C.

BY:

MICHAEL D. STACK, OBA #8530

943 East Britton Road

Oklahoma City, Oklahoma 73114

Bus (405) 286-1717 Fax (405) 286-2122

Attorney for Applicant

## CERTIFICATE OF MAILING

The undersigned, of lawful age, being first duly sworn upon oath, states: I am the Attorney for the above-named Applicant. I certify that on or before the 2nd day of October, 2008, I mailed by first class United States mail, proper postage prepaid thereon, a copy of the Notice of Hearing on file in this cause and this Application to the respondents, named on the Exhibit "A" attached to this Application, at their respective mailing addresses.

That the Applicant has, with due diligence and after inquiry of every possible source for information, attempted to locate the names and addresses of all respondents that should be receiving notice of this hearing before the Corporation Commission. For respondents that Applicant does not know and cannot ascertain whether an individual respondent(s) are living or deceased, or respondent(s) with a last known address that are no longer deliverable, or whether a corporations or other business entities respondent(s) are existing, Applicant desires to obtain service by publication upon said respondents whose addresses are unknown or are undeliverable.

Michael D. Stack

Subscribed and sworn to before me this  $\cancel{\mathcal{L}}$  day of October, 2008.

DEDRA J. THOMAS

(SEAL)

Notary Public

State of Oklahoma

Commission # 02003404 Expires 02/25/10

T. C.

MY COMMISSION EXPIRES:

February 25, 2010 Commission No. 02003404

## EXHIBIT "A"

Mahalo Energy (USA) Inc.

Cause CD No. 200807007-T

Increased Density Sec. 7-T 9N-R 16E, McIntosh

Kepco Energy Inc 4415 N Classen Blvd

Oklahoma City, OK 73118-5009

Williams Production Mid-Continent Company

Attn: Terry Hester P O Box 3102, MD 25-3 Tulsa, OK 74101-3102

Landmark Energy, LLC P O Box 1332 Seminole, OK 74818

Burlington Resources Oil & Gas Company c/o ConocoPhillips Co P O Box 2197

Houston, TX 77252-2197

F P Schonwald Co 9434 Cedar Lake Ave

Oklahoma City, OK 73114-7809

Chesapeake Exploration LP

P O Box 18496

Oklahoma City, OK 73154-0496

Garrett & Company Resources, Inc. 9701 N Broadway Oklahoma Ctiy, OK 73114

McCosar Minerals, Inc. P O Box 21872

Oklahoma City, OK 74141

Strata Minerals, Inc. P O Box 21055

Oklahoma City, OK 73156

Keith A Sackett 2120 Eagle Lane Edmond, OK 73034

West Bay Exploration 13685 S West Bayshore Drive Traverse City, MI 49684

Morris A Miceli 640 Hollowdale Edmond, OK 73003 Scott T Schad

W K Chernicky Trust 345 Kelly Planation Drive Destin, FL 32541

David J Chernicky 1307 South Boulder Ave Suite Tulsa, OK 74119

Patrick H Clare Family Living Trust Address Unknown

Kent E Phillips Address Unknown FSL Company c/o Fred Wendel P O Box 126 Eufaula, OK 74432

DCJ Company c/o Fred Wendel P O Box 126 Eufaula, OK 74432

Norma Gene Sellers Estate c/o John D Sellers III P O Box 774 Eufaula, OK 74432

Margaret Turner Pyle c/o Pyle, Carrie and Collie 2142 South Memorial Tulsa, OK 74432

Todd William Hayes and Jennifer Shea Hayes, h/w HC 63 Box 236E Eufaula, OK 74432

Betty Jo Clement Living Trust 1817 Glendale Road Sapulpa, OK 74066

Steve Yarbrough 6713 Jeanell Lane Arlington, TX 76001

Anneece Aming & Frederick L Aming h/w Rt 1 Box 1554 Shell Knob, MO 66747

Carol A Clark 13415 S 127th East Ave Broken Arrow, OK 74011

D L McKeefer and Jody McKeefer, h/w P O Box 693 Eufaula, OK 74432

Ray Jones and Emma Jones 2004 Revocable Trust 301 N "L" Eufaula, OK 74432

Glenn O Testamentary Trust Tom Lawson P O Box 2063 Sapulpa, OK 74066

Mekusukey Oil Co Inc Address Unknown

Richard Earl and Betty Jo Hermes Living Trust 1312 Circle Dr Sapulpa, OK 74066

Neva P Cooper Revocable Inter Vivos Trust 8607 E 100th St Tulsa, OK 74133

Maxine Jarvis Doughtery Revocable Trust c/o Mesene Biswell P O Box 126 Shawnee, OK 74802 Katherine H Billups Trust B Helen R Billups Trustee 2601 Clement Oklahoma City, OK 73116

Madelyn Josey Spoll 1900 Harbourside Dr #104 Longboat Key, FL 34228-4202

Josey Family Revocable Trust c/o Richard Henry Knight 110 Simmons Av Simmons Island, GA 31522

Patricia Johnston Adams 7 Redbud Trail Rockport, TX 78382

Burton Carlton Johnston and Elaine B Johnston Revocable Trust 25625 S Illinois Ave Sun Lakes, AZ 85248

Faudree "Q" Account 414 West Texas Ave Suite 208 Midland, TX 79701

Diana Houston 307 Youkum Parkway #1524 Alexandria, VA 22304

Paul Houston Trust c/o Katherine V Houston, Trustee 3104 Knoll Drive Falls Creek, VA 22042

Barter Island Oil Co P O Box 18816 Oklahoma City, OK 73154-0816

Par Oil Company Address Unknown

Headquarters Creek LLC Address Unknown

J L Turley, dec Address Unknown

Lisa A Smith 3201 Black Locust Place Norman, OK 73071

Sterling Sawyer 313 Prattwood Dr Sand Springs, OK 74063-3069

Stanley B Hoar 6735 N Mustang Rd NE Piedmont, OK 73078

Lydia Ann Onebear 2030 Robinson Muskogee, OK 74403

Stephanie Duncan 54 Parkway Drive Chickasha, OK 73018

Minnie Charles 715 W Foley Eufaula, OK 74432 Nancy Lewis Boling 3312 South 4<sup>th</sup> St. Chickasha, OK 73018

Thomas Jones 1602 Quail Run Muskogee, OK 74401

James Rufus Charles P O Box 255 Eufaula, OK 74432

Jacqueline Sanders 210 E Shawnee Tahlequah, OK 74464

Ellen Ruth Pepiakitah Rt 1 Box 53-B Jones, OK 73049

Delilah Lee Charles P O Box 255 Eufaula, OK 74432

Daniel Lewis P O Box 255 Eufaula, OK 74432

Norbet Young 25 S Magnolia Ave Orlando, FL 32801

Louise R Edwards Trust c/o Jamie Edwards Murphy P O Box 54308 Oklahoma City, OK 73154-1308

Samuel M Gawf and Wilma P Gawf, h/w HC 62 Box 14 Eufaula, OK 74432

Key Enterprises Inc P O Box 1515 Wewoka, OK 74484

The Replogle Company LLC Robert Replogle 6405 Avalon Lane Nichols Hills, OK 73116-5609

Wendell M Long 513 North Casey Key Rd Osprey, FL 34229

Robert Arthur and Marilyn Dell Ellsworth Trust 2800 W Waterloo Rd Edmond, OK 73025-1696

Robert Bruce Johnston 319 Corrine Dr Gilbert, AZ 85234-6455

Jodi Surtees 11611 Blix Street Studio City, CA 91602

James H Nixon HC 63 Box 236G Eufaula, OK 74432

Dudley Investments P O Box 2001 Amarillo, TX 79105 D E Little Address Unknown

Lisa A Young Address Unknown

R B Buford, Dec Address Unknown

Menor Whitney Company LLC P O Box 472146 Tulsa, OK 74142

Smith, Smith & Smith P O Box 682 Eufaula, OK 74432

H T Yarbrough and Ruby Yarbrough, h/w, deceased Address Unknown

Wilma Lewis P O Box 255 Eufaula, OK 74432

Trisha Onebear 2030 Robison Muskogee, OK 74403

Casey Onebear 2030 Robinson Muskogee, OK 74403

Fred P Wendel P O Box 126 Eufaula, OK 74432

Naomi Deere Thompson P O Box 1305 Muskogee, OK 74401

Harry Carver, dec 4704 Innsbrook Lane Oklahoma City, OK 73142

F P Schonwald Co Address Unknown

Meridian Oil Production Inc c/o ConocoPhillips Co P O Box 2197 Houston, TX 77252-2197

AD Astra Foundation 5633 N Pennsylvania Oklahoma City, OK 73112

Betty D Less Address Unknown

Blair Royalties Ltd 6520 N Western Ave Ste 300 Oklahoma City, OK 73116

Carver Royalty Co LLC P O Box 18234 Oklahoma City, OK 73154-0234

Deborah Peery 4251 E Presidio Tucson, AZ 85712

Dwayne Karnes P O Box 686 Watonga OK, 73772 Flavy E Davis Address Unknown

Global Natural Resources Corporation of Nevada c/o Black Stone Minerals 1001 Fannin Ste 2020 Houston, TX 77002

Hollrah Exploration Company P O Box 721172 Oklahoma City, OK 73172

James A Jones 207 Debbie Lane Tecumseh, OK 74873

James Replogle Fleming Marital Fund #1 c/o Ann Fleming 910 Rosebay Dr Indianapolis, IN 46240

Jerry Johnston c/o Deborah Peery 4251 E Presidio Tucson, AZ 85712

Joan Burkert 3208 Crystal Drive Burlington, IA 52601

John Johnston c/o Deborah Peery 4251 E Presidio Tucson, AZ 85712

Joseph M Jaytaine 3 East 5th Street Tulsa, OK 74103

Katy Pipeline Production Corportion P O Box 56203 Houston, TX 77256

Kirkpatrick Foundation, Inc 1001 W Wilshire Blvd Ste 201 Oklahoma City, OK 73116

Larry D Armstrong and Karen E Armstrong, h/w P O Box 863 Eufaula, OK 74432

Larry D Armstrong and Karen E Armstrong, h/w P O Box 863 Eufaula, OK 74432

Lee Hunter 2915 Kyle Ct Moore, OK 73160

Lyda Long LLC P O Box 13648 Oklahoma City, OK 73113-1648

M A P Inc P O Box 686 Solana Beach, CA 92075-0686

Marchie Dean Francis c/o Mitchell Alvis Francis 3304 Webster Street Moore, OK 73160

Margaret A Blair Revocable Living Trust 10937 Maple Grove Oklahoma City, OK 73156 Margaret K Replogle Mineral Trust 2801 NW 57th Street Oklahoma City, OK 73112-7054

Marian L Hammond Address Unknown

Mitchell Alvis Francis 3304 Webster Street Moore, OK 73160

Ota Rosalind Vaughan, dec Address Unknown

P J B Revocable Living Trust P O Box 20891 Oklahoma City, OK 73156

Pamela Roby 44686 N Hills Apt h\_78 Northville, MI 48167

Peter and Nancy Keane Trust 1438 Cabrillo San Francisco, CA 94115

Robert Laverne Francis c/o Mitchell Alvis Francis 3304 Webster Street Moore, OK 73160

Sally Ann Fudge, dec c/o Barry R Levin 720 Santa Monica Blvd Santa Monica, CA 90401-2602

Sally Tresselt 55 Bainbridge Rd West Hartford, CT 94118

Seth E Freeman Revocable Living Trust Rt 2 Box 233 Maysville, OK 73057

Sugarberry Oil & Gas Corporation 5950 Cedar Springs Rd Lock Box 230 Dallas, TX 75235

TCD Exploration LLC 211 N Robinson Ste 1300 Oklahoma City, OK 73102

Ulrich Young P O Box 42 Prague, OK 74864

V F Fuson, dec Address Unknown

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Woodrow W King and Jerelene King, h/w P O Box 173 Eufaula, OK 74432 Pyle, Carrie And Collie 2142 South Memorial Tulsa, OK 74432

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