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October 13, 2006

When calling relative to this matter, refer to file No. 1407.

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

RE: **Hosston Zone, Reservoir A**
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Zone, Reservoir A
Elm Grove Field
Bossier Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well on HOSS RA SU15, CVRA SU15 and LCV RA SUJ at the exceptional location in Section 4-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats, which is in lieu of the location 1131' FNL and 651' FEL of Section 4, which was approved in Office of Conservation Order Nos. 361-A-472, 361-B-490 and 361-E-334;

2. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on HOSS RA SU15, CV RA SU15 and LCV RA SUJ at the exceptional locations in Section 4-T16N-R11W, Bossier Parish, Louisiana, as shown on the attached plats;

3. To authorize KCS Resources, Inc. to drill, complete and utilize three additional alternate unit well on HOSS RA SU16, CV RA SU16 and LCV RA SUI, at the exceptional locations in Section 3-T16N-R11W, Bossier Parish, Louisiana, as shown on the attached plats;

4. To find that each of the proposed alternate unit wells is necessary to efficiently and effectively drain a portion of the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, underlying the respective units which cannot be efficiently and effectively drained by any other well

5. To authorize the unit allowable for these Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A, and Lower Cotton Valley Zone, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator; and

6. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Ms. Toni Semple, 7130 South Lewis Avenue, Suite 700, Tulsa, Oklahoma 74136, at telephone number (918) 491-1302.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

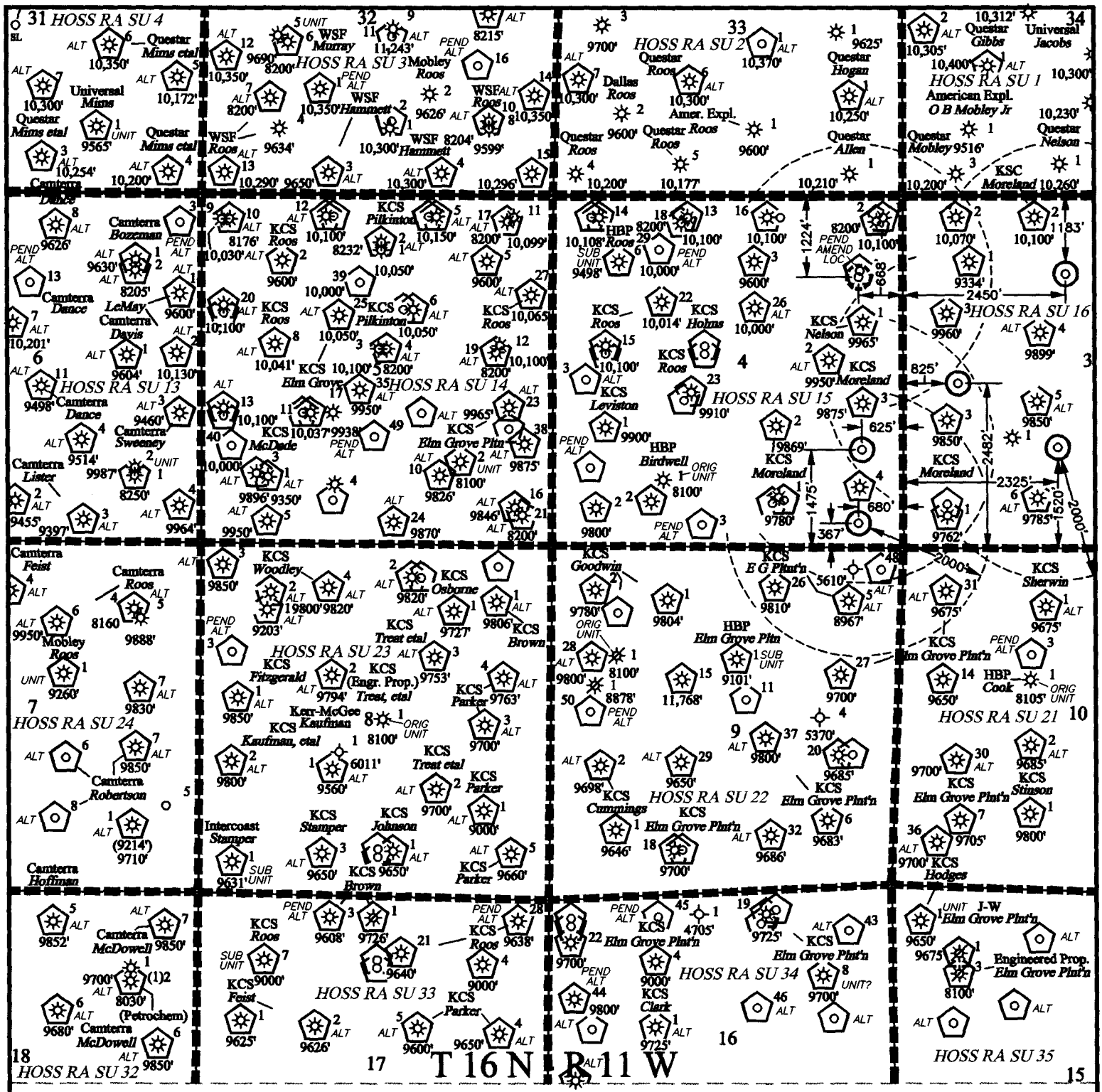
COOK, YANCEY, KING & GALLOWAY

J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Ms. Toni Semple
Mr. Craig Barclay



KCS RESOURCES, INC.

TULSA, OKLAHOMA

ELM GROVE FIELD

BOSSIER PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS FOR HOSS RA SU 15 & HOSS RA SU 16

: EXISTING UNITS

: EXISTING HOSS RES A UNIT AND ALT UNIT WELLS

: APPROVED HOSS RES A UNIT AND ALT UNIT WELL LOCS

: PROPOSED ALTERNATE UNIT WELLS

: PROPOSED AMENDED LOCATION

0' 1000' 2000' 3000' 4000' 5000' 6000'

GRAPHIC SCALE

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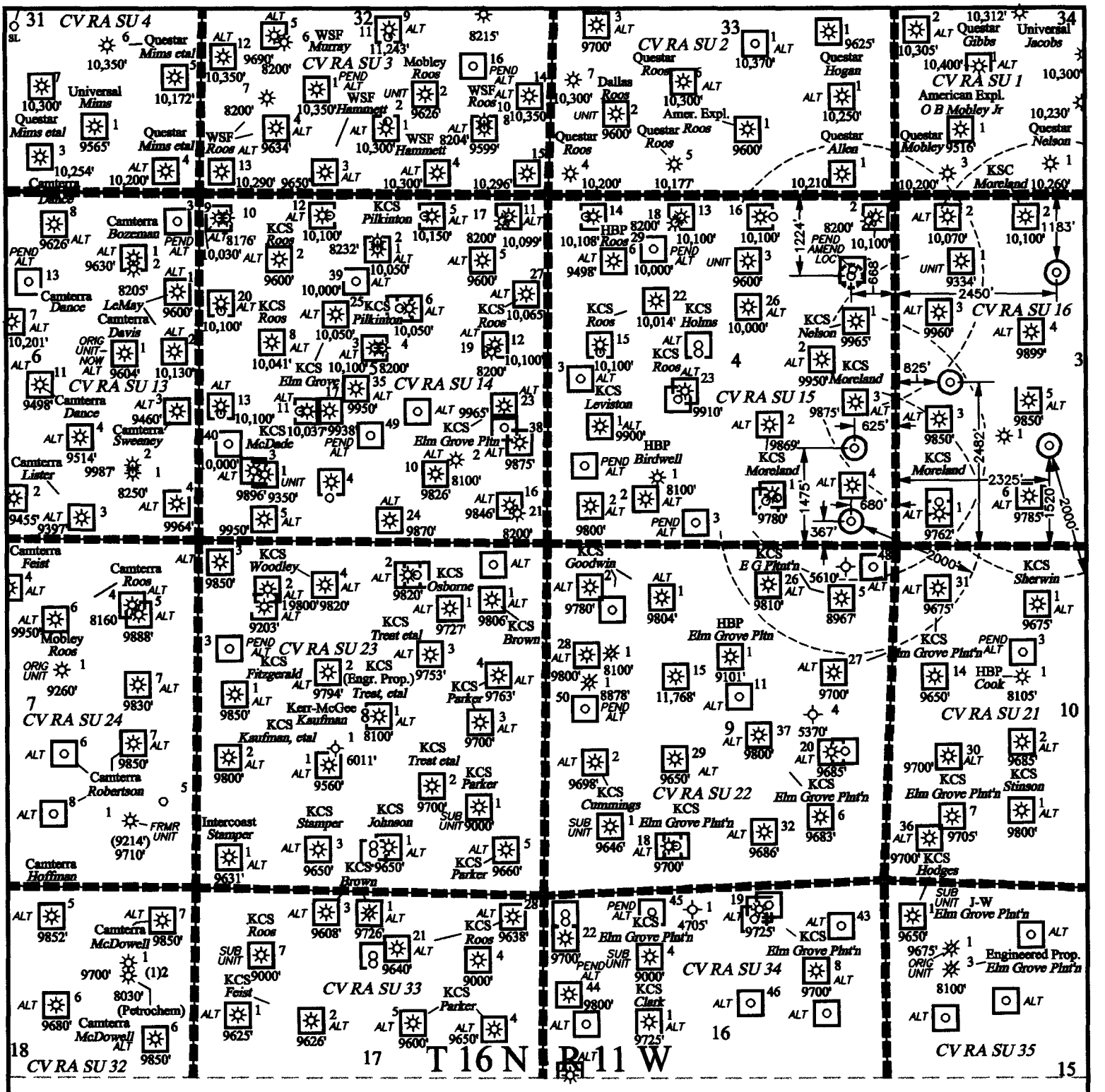

KCS RESOURCES, INC.

TULSA, OKLAHOMA

ELM GROVE FIELD

BOSSIER PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS FOR CV RA SU 15 & CV RA SU 16

: EXISTING UNITS

: EXISTING CV RES A UNIT AND ALT UNIT WELLS

: APPROVED CV RES A UNIT AND ALT UNIT WELL LOCS

: PROPOSED ALTERNATE UNIT WELLS

: PROPOSED AMENDED LOCATION

0' 1000' 2000' 3000' 4000' 5000' 6000'

GRAPHIC SCALE

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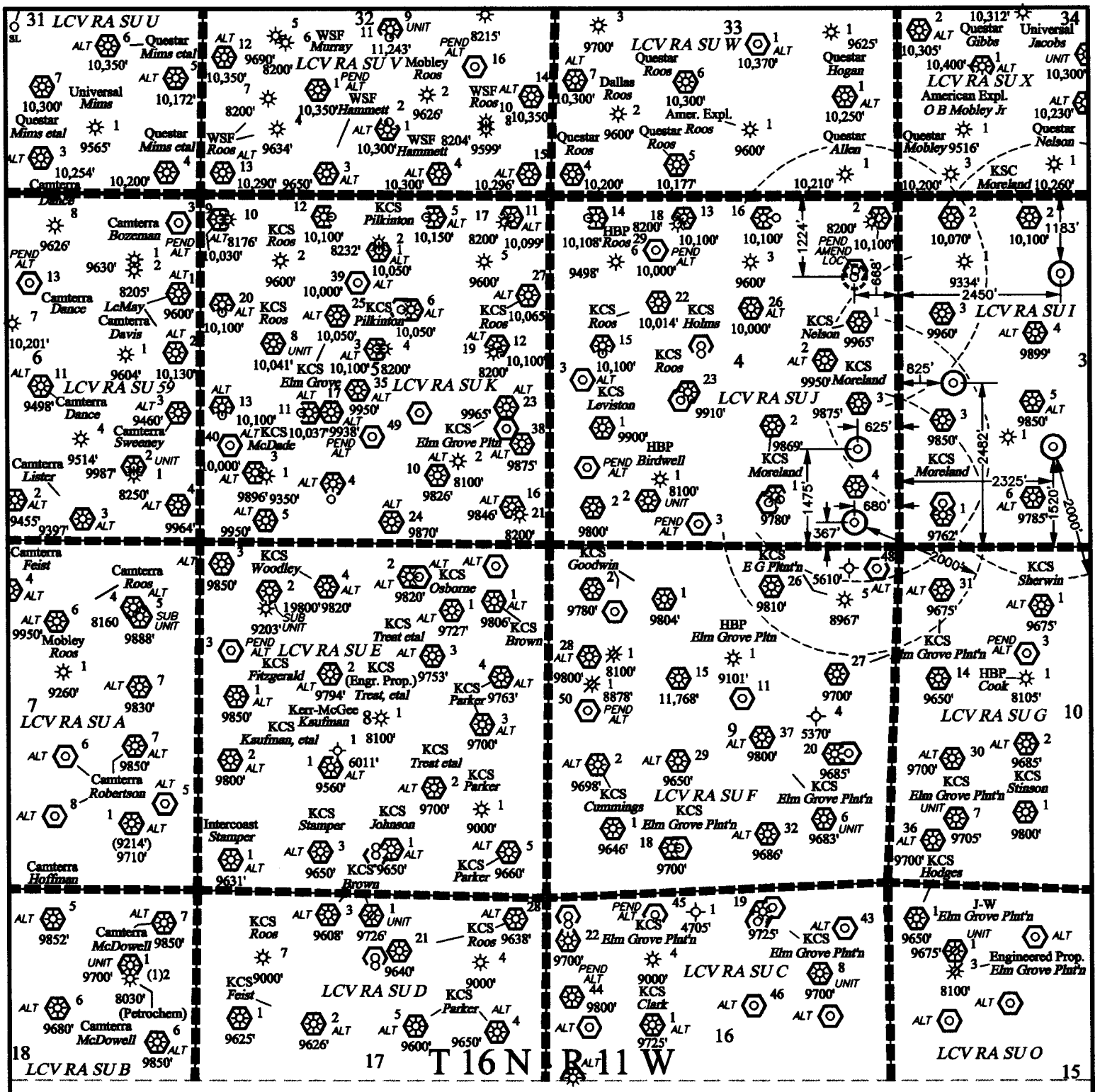

KCS RESOURCES, INC.

TULSA, OKLAHOMA

ELM GROVE FIELD

BOSSIER PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS FOR LCV RA SU I & LCV RA SU J

- : EXISTING UNITS
- : EXISTING LCV RES A UNIT AND ALT UNIT WELLS
- : APPROVED LCV RES A UNIT AND ALT UNIT WELL LOCS
- : PROPOSED ALTERNATE UNIT WELLS
- : PROPOSED AMENDED LOCATION

0' 1000' 2000' 3000' 4000' 5000' 6000'

GRAPHIC SCALE

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