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August 2, 2007

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When calling relative to this matter,
refer to file No. 1529.

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

RE: **Hosston 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, in the Elm Grove Field, Bossier Parish, Louisiana:

1. To expand the provisions of Office of Conservation Order No. 361-12 to approve the downhole or well bore combination of production from the Hosston Zone, Reservoir A, with the intervals approved for downhole combination by Order No. 361-12 underlying CV RA SU35 and LCV RA SUO in any current or prospective well drilled on said units, each of which units is identical in size, configuration and ownership; and
2. 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.

Office of Conservation Order No. 361-12 approved the downhole combination production of production of from the Cotton Valley Formation, Reservoir A, underlying CV RA SU35, and the Lower Cotton Valley Zone, Reservoir A, underlying LCV RA SUO, as well other units in the Elm

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Grove Field. KCS Resources, Inc. now wishes to have the flexibility to add the Hosston Zone, Reservoir A, to those zone which may be combined downhole in wells on units comprising Section 15, Township 16 North, Range 11 West, Bossier Parish Louisiana.

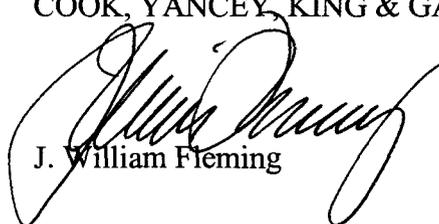
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Ms. Toni Semple, 6100 South Yale Avenue, Suite 500, Tulsa, Oklahoma 74136, at telephone number (918) 499-1302.

The list of parties attached to the copies of this application being sent to the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, the 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. Enclosed with the copy of this letter being sent to the Commissioner of Conservation is a check for the application fee in connection with this matter.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

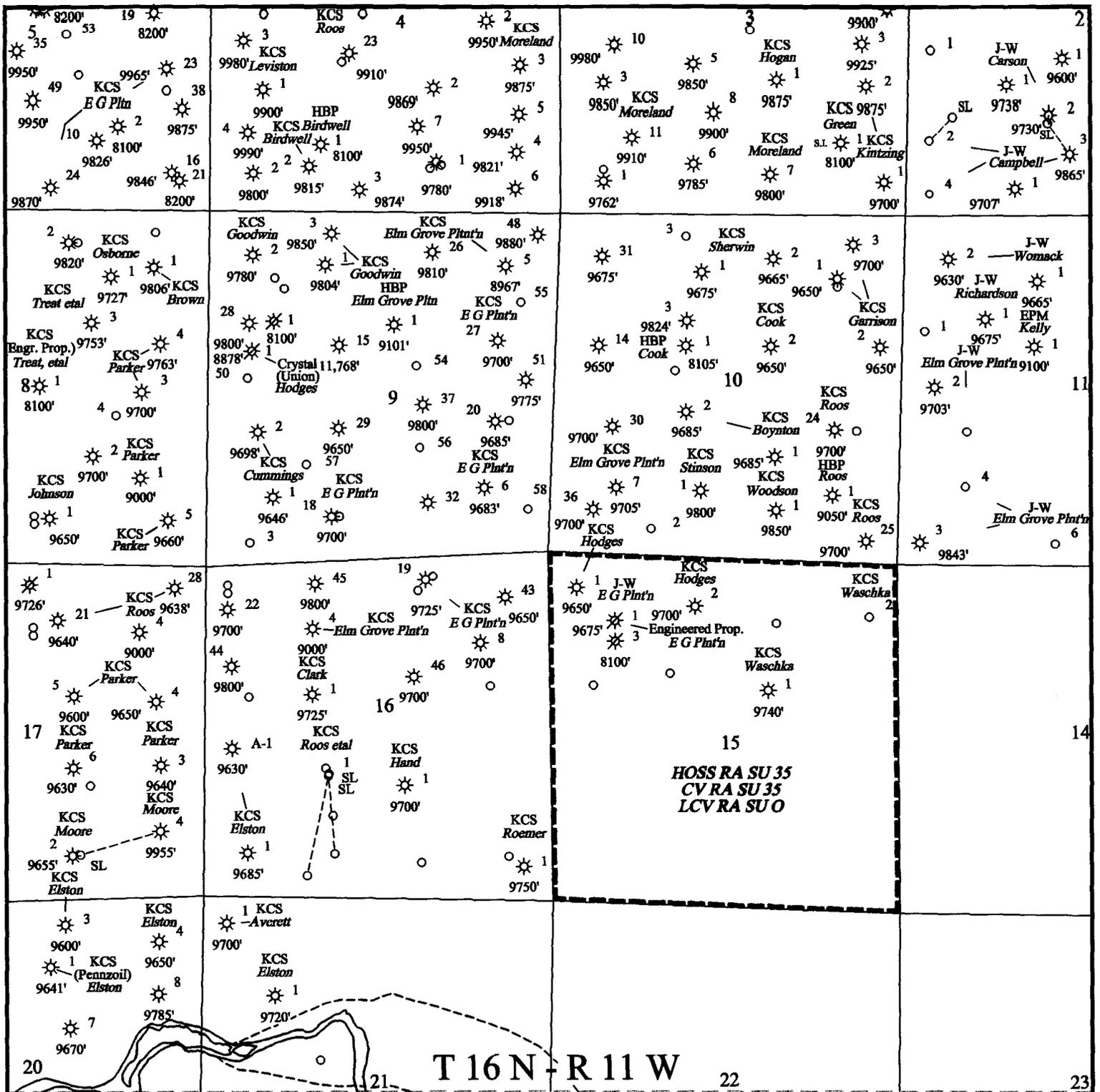


J. William Fleming

jwf:s

Enclosures

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



KCS RESOURCES, INC.
TULSA, OKLAHOMA

ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA
PROPOSAL TO INCLUDE HOSS RA SU 35 FOR
DOWNHOLE COMBINATION AUTHORITY WITH CV RA SU 35 AND/OR
LCV RA SU O PURSUANT TO ORDER No. 361-12

----- : PROPOSED UNITS TO HAVE DOWNHOLE PRODUCTION COMBINED

