

**LEGAL NOTICE**

**STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.**

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1<sup>st</sup> Floor, LaSalle Building, 617 North 3<sup>rd</sup> Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, AUGUST 7, 2007**, upon the application of **KCS RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Lower Cotton Valley Formation, Reservoir A**, in the Hico-Knowles Field, Lincoln Parish, Louisiana.

1. To redefine the Lower Cotton Valley Formation, Reservoir A, in all of the existing Lower Cotton Valley Formation, Reservoir A, units in the Hico-Knowles Field, namely LCV RA SUA, LCV RA SUB, LCV RA SUC and LCV RA SUD, as that gas and condensate bearing zone encountered between the depths of 8,580' and 11,320' (electric log measurements) in the Chevron USA, Inc.-F.H. Callaway No. 1 Well located in Southeast Quarter of Section 11, Township 19 North, Range 4 West, which units are shown on the plat submitted with the application.
2. To establish one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A.
3. To force pool and integrate all of the separately owned tracts, mineral leases, and other property interests located within the proposed unit in accordance with Section 10, Title 30 of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
4. To confirm and ratify the units established by Office of Conservation Order No. 137-AA, effective September 1, 1979, with the definition of the Lower Cotton Valley Formation, Reservoir A, to be redefined pursuant hereto.
5. To amend the well spacing rules established by Order No. 137-AA such that wells shall be located no closer than 660' from unit lines and that there be not less than 1320' between wells drilling to, completed in, or for which a permit shall have issued to the Lower Cotton Valley Formation, Reservoir A.
6. To designate a unit well for and to designate KCS Resources, Inc. as operator of LCV RA SUE.
7. To consider such other matters as may be pertinent.

The Lower Cotton Valley Formation, Reservoir A, is currently defined in Office of Conservation Order No. 137-AA, effective September 1, 1979, and is to be redefined pursuant hereto.

A plat is available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

[www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm](http://www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm)

All parties having interest therein shall take notice thereof.

**BY ORDER OF:**

**JAMES H. WELSH  
COMMISSIONER OF CONSERVATION**

Baton Rouge, LA

6/25/07;6/28/07

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.**