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July 25, 2008

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When calling relative to this
matter, refer to file No. 1742.

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

Re: Haynesville 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 Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana:

1. To establish rules and regulations and create two drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, to be designated HA RA SUC and HA RA SUD, as shown outlined on the plat attached hereto and made a part hereof.
2. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests located within the proposed units 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;
3. To designate unit wells and unit operators, as appropriate;
4. To provide that wells drilled to the Haynesville Zone, Reservoir A, in the Elm Grove Field be located no closer than 330 feet to any unit line and that there be not less that 660 feet between wells drilling to, completed in, or for which a permit shall has been issued to the Haynesville Zone, Reservoir A;
5. To provide that with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, in the proposed units, where the horizontal lateral portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit

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boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus; and

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

The Haynesville Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, is to be defined as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,910 feet and 11,487 feet (electric log measurements) in the Chesapeake Operating, Inc. - SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

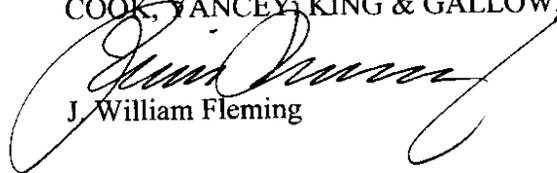
Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Craig Barclay, 522 Dumbarton Drive, Shreveport, Louisiana 71106, at telephone number (318) 869-2223.

A Pre-Application Notice dated July 14, 2008, was circulated in connection with this matter. There was no request received for a conference; accordingly, no conference was held.

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 plat 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.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

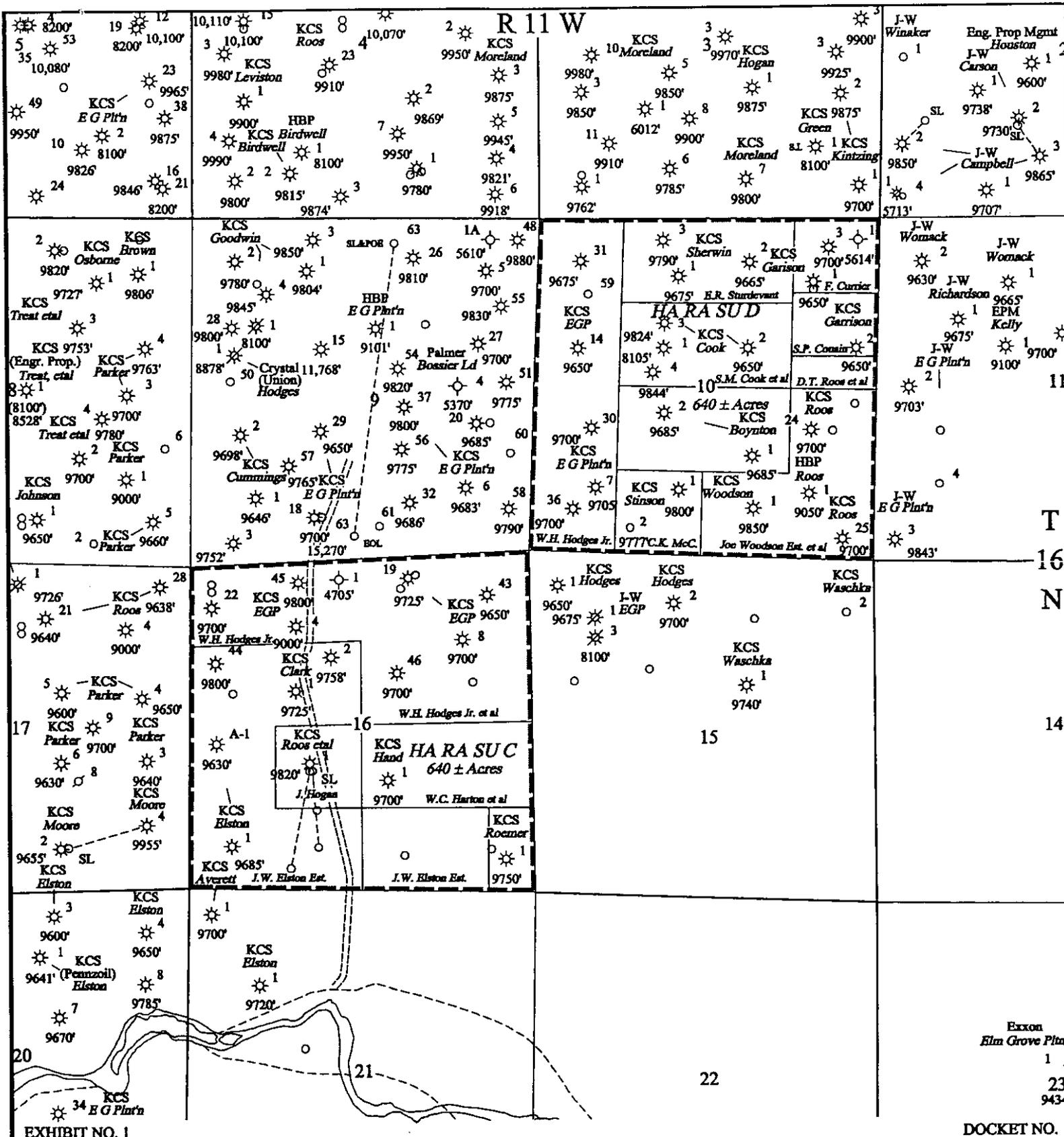


J. William Fleming

jwf:s

Enclosures

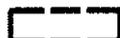
cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Craig Barclay
Mr. Debbie Wilson



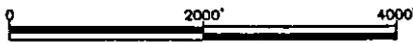
KCS RESOURCES, INC.
Tulsa, Oklahoma

ELM GROVE FIELD
Caddo Parish, Louisiana

PROPOSED HAYNESVILLE RESERVOIR A SAND UNITS C & D



:PROPOSED HAYNESVILLE RESERVOIR A SAND UNITS



GRAPHIC SCALE