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December 21, 2007

When calling relative to this matter, refer to file No. 1608.

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

RE: **Hosston Formation, Reservoir A**
Cotton Valley Formation, Reservoir A
Caspiana Field
Caddo and Desoto Parishes, 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 Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and Desoto Parishes, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize five additional alternate unit wells on each of HOSS RA SU63 and CV RA SU63 at the locations in Section 32-T15N-R12W, Caddo and DeSoto Parishes, Louisiana, shown on the attached plats;

2. To approve the proposed alternate unit wells as exceptions, to the extent necessary, to the well location provisions of Office of Conservation Order No. 191-B, as to the Hosston Formation, Reservoir A, and Office of Conservation Order No. 191-A, as to the Cotton Valley Formation, Reservoir A.

3. To find that the proposed alternate unit wells are necessary to efficiently and economically drain portions of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying the respective units which cannot be efficiently and economically drained by any other well located on said units;

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

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

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo, Bossier, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo, Bossier, DeSoto and Red River Parishes, Louisiana, was defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

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 Mr. Ron Tuminello, 416 Travis Street, Suite 700, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The list of parties attached to the copy of this letter being sent to the Commissioner of Conservation and to the District Manager of the Shreveport District of 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, 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 with the copy of this letter being sent to the Commissioner of Conservation is a check are the application fee require for this application.

Yours very truly,

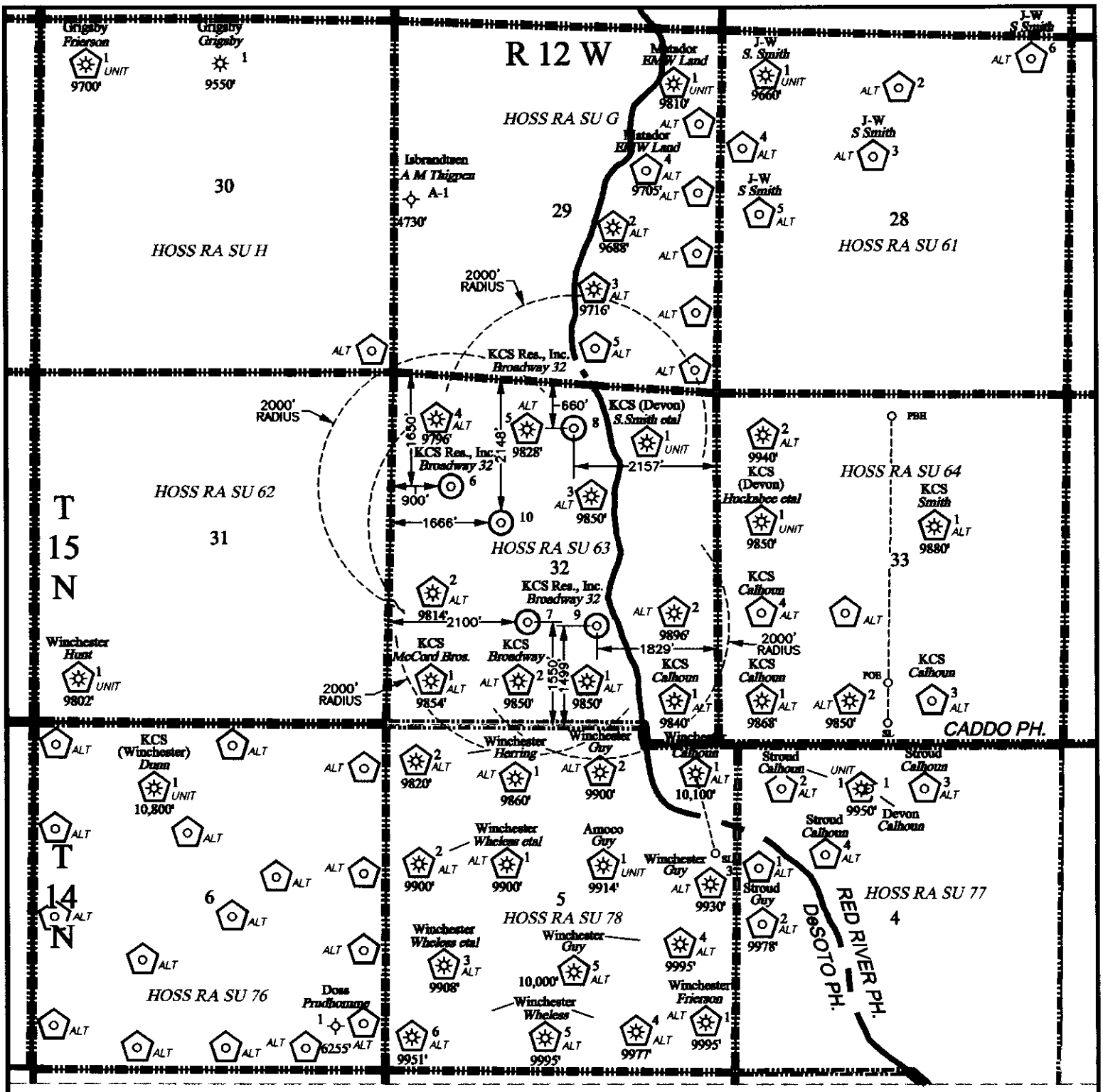
COOK, YANCEY, KING & GALLOWAY

J. William Fleming

jwf:s

Enclosures

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



KCS RESOURCES, INC.

TULSA, OKLAHOMA

CASPIANA FIELD

CADDO & DeSOTO PARISHES, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS AND ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION FOR HOSS RA SU 63

: 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

GEOLOGIST: CRAIG C. BARCLAY

0' 2000' 4000' 1 MILE

GRAPHIC SCALE

ONLY WELLS >4000' TD SHOWN

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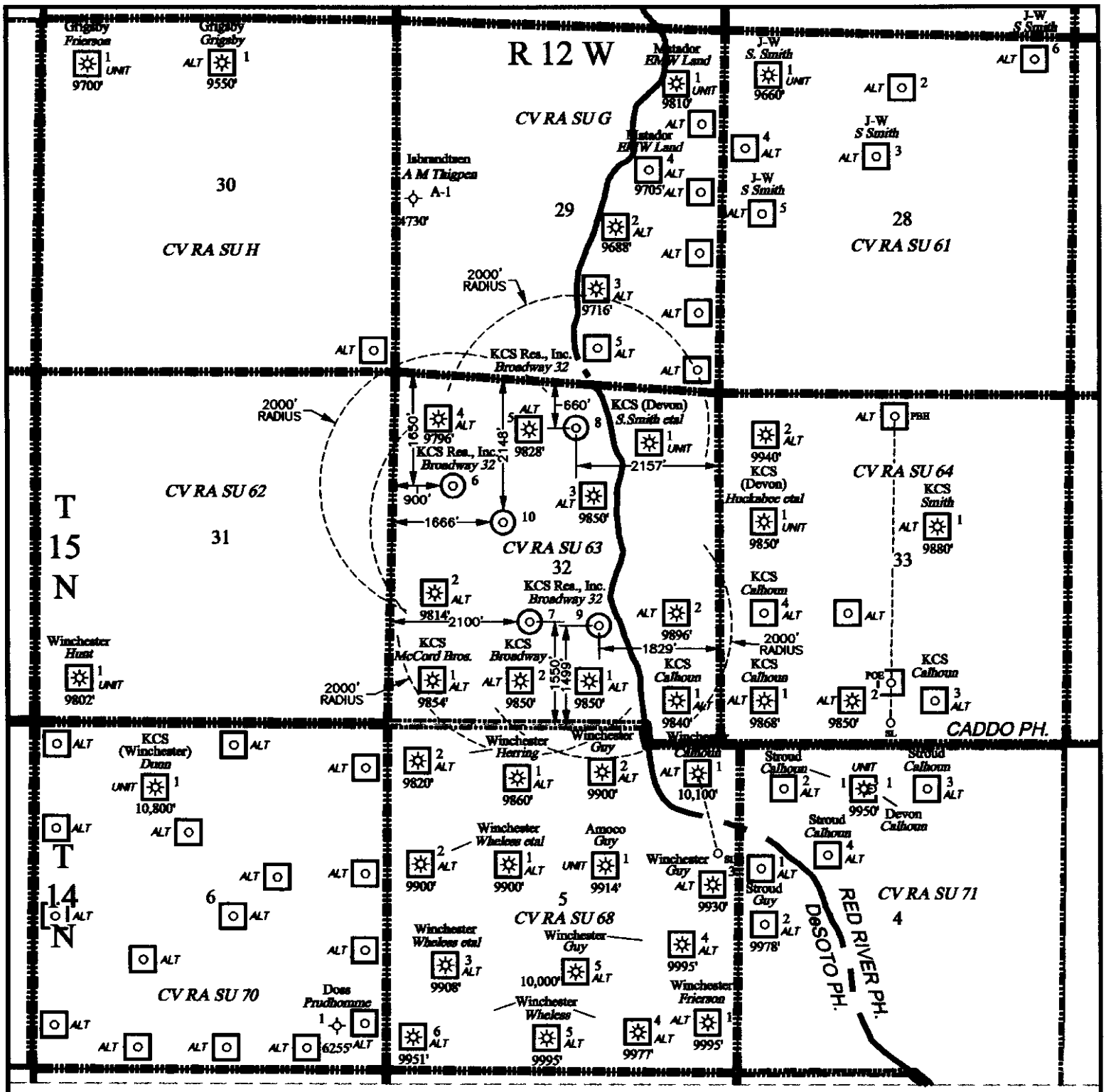

KCS RESOURCES, INC.

TULSA, OKLAHOMA

CASPIANA FIELD

CADDO & DeSOTO PARISHES, LOUISIANA

PROPOSED ALTERNATE UNIT WELLS AND ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION FOR CV RA SU 63

: 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

GEOLOGIST: CRAIG C. BARCLAY

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