

**COOK, YANCEY, KING & GALLOWAY**

A PROFESSIONAL LAW CORPORATION  
333 TEXAS STREET, SUITE 1700  
POST OFFICE BOX 22260  
SHREVEPORT, LOUISIANA 71120-2260  
www.cookyancey.com

J. William Fleming

Writer's Direct  
(318) 227-7724  
bill.fleming@cookyancey.com

December 31, 2007

TELEPHONE (318) 221-6277  
TELECOPIER (318) 227-7850

When calling relative to this matter, refer to  
file No. 1617

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

Re: Lower Cotton Valley Formation,  
Reservoir A  
Hico-Knowles Field  
Lincoln 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 Lower Cotton Valley Formation, Reservoir A, in the Hico-Knowles Field, Lincoln Parish, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize the five additional alternate unit wells for LCV RA SUI, four of which are at exceptional locations as shown on the attached plat;
2. To determine that there is a need for additional alternate unit wells on LCV RA SUI to efficiently and economically recover hydrocarbons underlying this unit that cannot be recovered from any other well located on the unit;
3. To authorize the unit allowable for the unit to be recovered from the existing wells located on the unit, the proposed alternate unit wells, or any combination thereof, at the discretion of the operator; and
4. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

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The Lower Cotton Valley Formation, Reservoir A, in the Hico-Knowles Field, Lincoln Parish, Louisiana, was defined in Office of Conservation Order No. 137-AA, effective September 1, 1979; and has been redefined as to certain units by subsequent orders of the 137-AA Series of Orders including Order Nos. 137-AA-5, effective August 7, 2007.

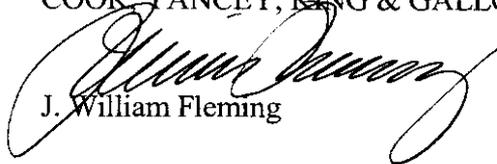
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Tom Lindley, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

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 application 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. Tom Lindley  
Mr. Craig Barclay

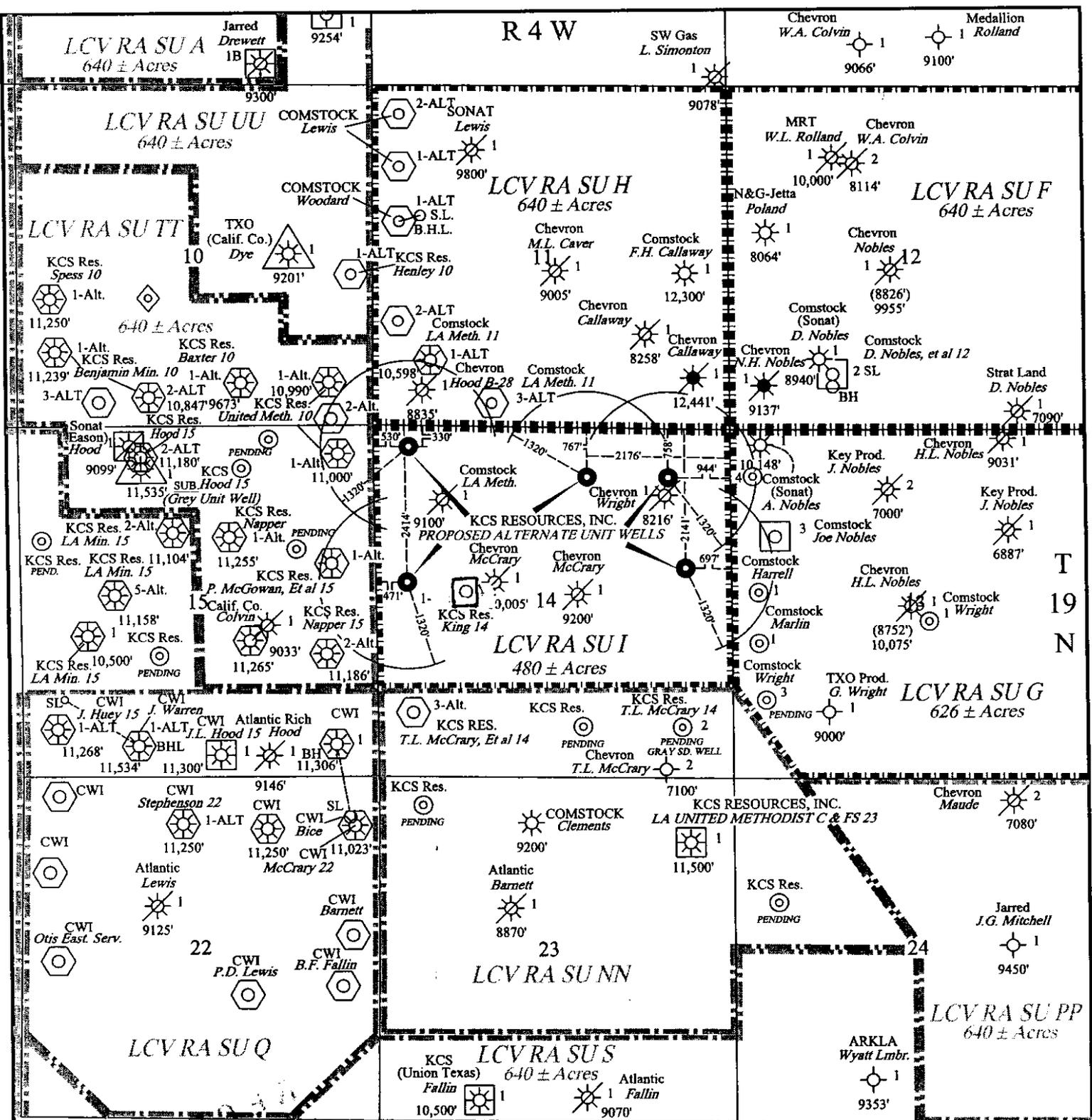


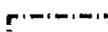
EXHIBIT No. 1

DOCKET NO.

**KCS RESOURCES, INC.**  
Tulsa, Oklahoma

**HICO-KNOWLES FIELD**  
Lincoln Parish, Louisiana

**PROPOSED ALTERNATE UNIT WELL AND WELLS AT EXCEPTIONAL LOCATIONS FOR LOWER COTTON VALLEY RESERVOIR A SAND UNIT I**

- |  |   |  |
|--|---|--|
|  :EXIST. TERRYVILLE LOWER CV RESERVOIR A SAND UNITS |  :PROPOSED LCV RA ALTERNATE UNIT WELLS         |  :LOWER CV RESERVOIR A ALTERNATE UNIT WELLS |
|  :HICO-KNOWLES LOWER CV RESERVOIR A SAND UNITS      |  :LOWER CV RESERVOIR A UNIT WELLS              |  :PENDING                                   |
|  |  :LOWER CV RESERVOIR A SUBSTITUTE UNIT WELLS |  |

