

COOK, YANCEY, KING & GALLOWAY

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April 25, 2008

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When calling relative to this
matter, refer to file No. 1684.

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
Caddo 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, Caddo Parish, Louisiana:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana, to be designated HA RA SUA 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 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;

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3. To designate KCS Resources, Inc., as operator of, and to designate the KCS Resources, Inc. - Hutchinson 9 No. 5 Well as the unit well for, HA RA SUA, which well is to be drilled as a horizontal lateral in the manner and at the location shown on the attached plat;
4. To provide that future wells drilled to the Haynesville Zone, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana, be located in accordance with Statewide Order 29-E; and
5. 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, Caddo 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.

The proposed definition for the Haynesville Zone, Reservoir A, in the Elm Grove Field is the stratigraphic equivalent of Haynesville Zone, Reservoir A, as defined in the Johnson Branch Field pursuant to Office of Conservation Order No. 994-D, effective July 10, 2007. Applicant has sought and received permission for waiver of the "Production Test in the Field" policy to enable it to proceed to establish a unit for the Haynesville Zone, Reservoir A, in the Elm Grove Field premised upon the production from the Haynesville Zone, Reservoir A, in the Johnson Branch Field.

The Applicant has sought and received permission to proceed herein pursuant to Rule 8 of the Revised Rules of Procedure. A conference to discuss this application and any opposition thereto is hereby scheduled for Friday, May 9, 2008, at 10:00 a.m. in the offices of Cook, Yancey, King & Galloway, Suite 1700, Regions Tower, 333 Texas Street, Shreveport, 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.

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

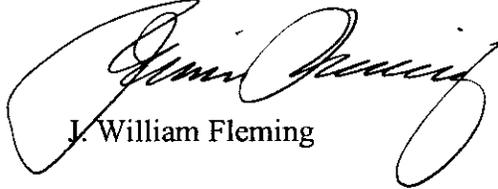
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requesting a copy of it. Enclosed with the copy of this application being sent to the Commissioner of Conservation is a check for the application fee required for this matter.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

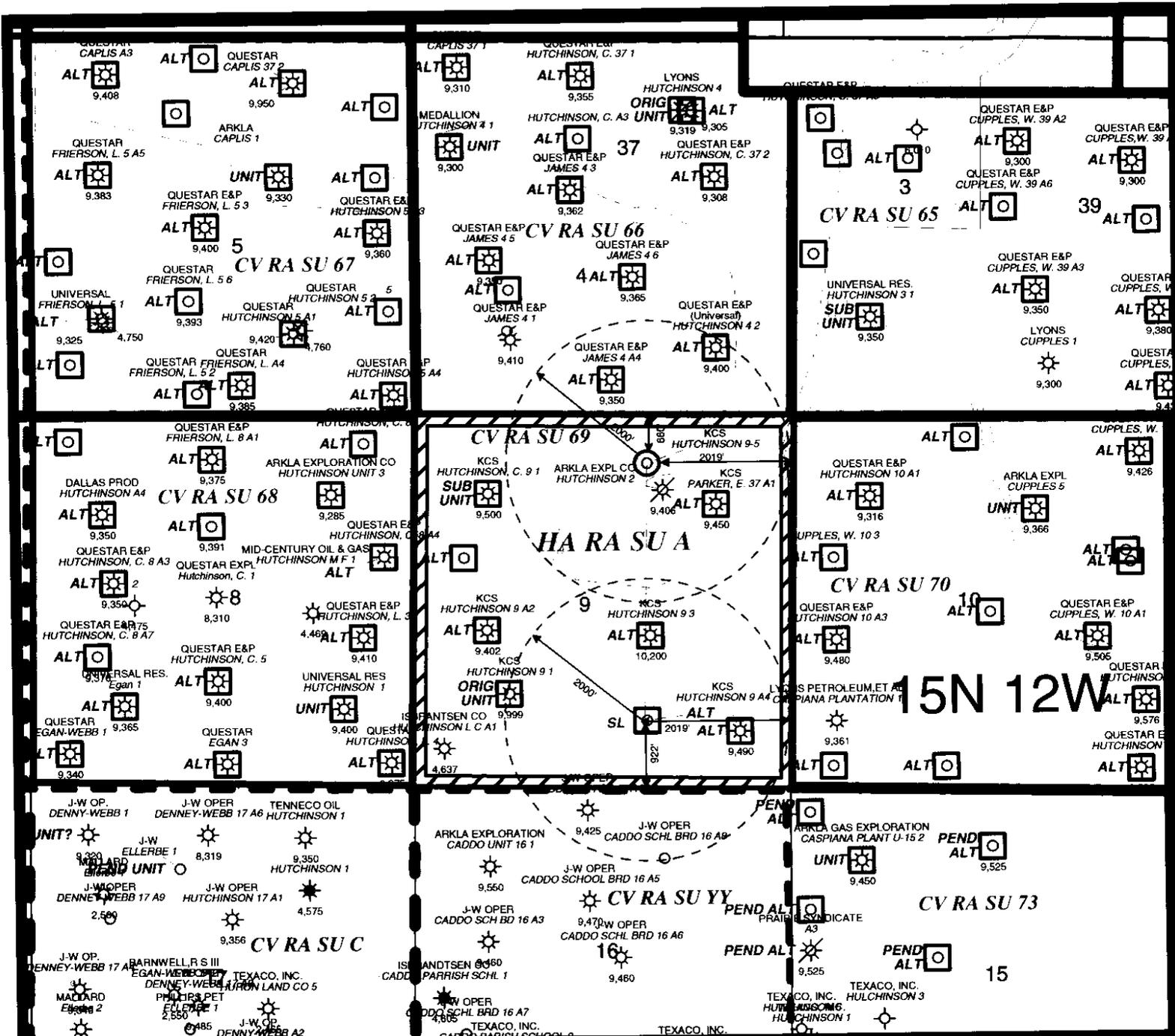


J. William Fleming

jwf:s

Enclosures

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



KCS RESOURCES, INC.
TUSLA, OKLAHOMA

ELM GROVE FIELD
CADDO PARISH, LOUISIANA
PROPOSED UNIT WELL HA RA SU A

▬▬▬ HAYNESVILLE RES A, SAND UNIT A

▬▬▬ :EXISTING COTTON VALLEY RES A UNITS - ELM GROVE FIELD ▬▬▬ :EXISTING COTTON VALLEY RES A UNITS - CASPIANA FIELD

◻ :EXISTING CV RES A UNIT AND ALT UNIT WELLS ◻ :APPROVED CV RES A UNIT AND ALT UNIT WELL LOCS ⊙ :PROPOSED UNIT WELLS

ONLY WELLS DEEPER THAN 4000' TD SHOWN

