

COOK, YANCEY, KING & GALLOWAY

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November 25, 2008

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When calling relative to this matter
refer to No. 1858

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

RE: **Haynesville Zone, Reservoir A
Caspiana Field
DeSoto 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 Caspiana Field, DeSoto Parish, Louisiana:

1. To create a single additional drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, DeSoto Parish, Louisiana, to be designated HA RA SU63, as shown outlined on the plat attached hereto;
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;
3. To designate a unit well and unit operator, as appropriate;
4. To provide that future wells drilled to the Haynesville Zone, Reservoir A, within or outside the proposed unit, be located no closer than 330 feet to any unit boundary and no closer than 660 feet to any well drilling to, completed in, or for which a permit shall have been granted 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 unit, 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 boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus;
6. To define the Haynesville Zone, Reservoir A, AS TO HA RA SU63, as the stratigraphic equivalent of that gas and condensate bearing interval occurring between the depths of 9,720 feet and 11,690 feet (electric log measurements) in the KCS Resources, Inc. - Hunt Plywood

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No. 11 Well located in Section 36, Township 15 North, Range 13 West, DeSoto Parish, Louisiana;

7. To add the Haynesville Zone, Reservoir A, to the downhole combination authority provided for in the Caspiana Field with respect to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in any well drilled on the proposed unit to the extent the units for all three zones are identical in size, configuration and ownership;
8. To extend to the proposed unit, except as in conflict herewith, the provisions of Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the 191-H Series of Orders
9. 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 Caspiana Field, was initially defined in Office of Conservation Order No. 191-H, effective August 28, 2007

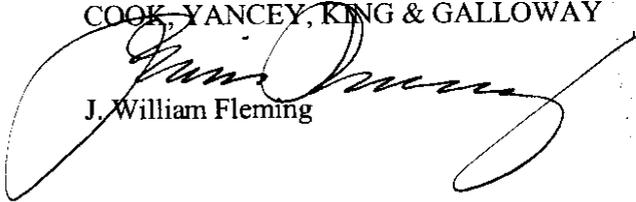
Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Craig Barclay, 522 Dumbarton Drive, Shreveport, Louisiana 71106, at telephone number (318) 869-2223.

A Pre-Application Notice dated November 12, 2008, was circulated in connection with this matter to all appropriate parties. There was no request for a conference; accordingly, no conference was held.

The list of parties attached to the copy 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 necessary 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. Ron Tuminello

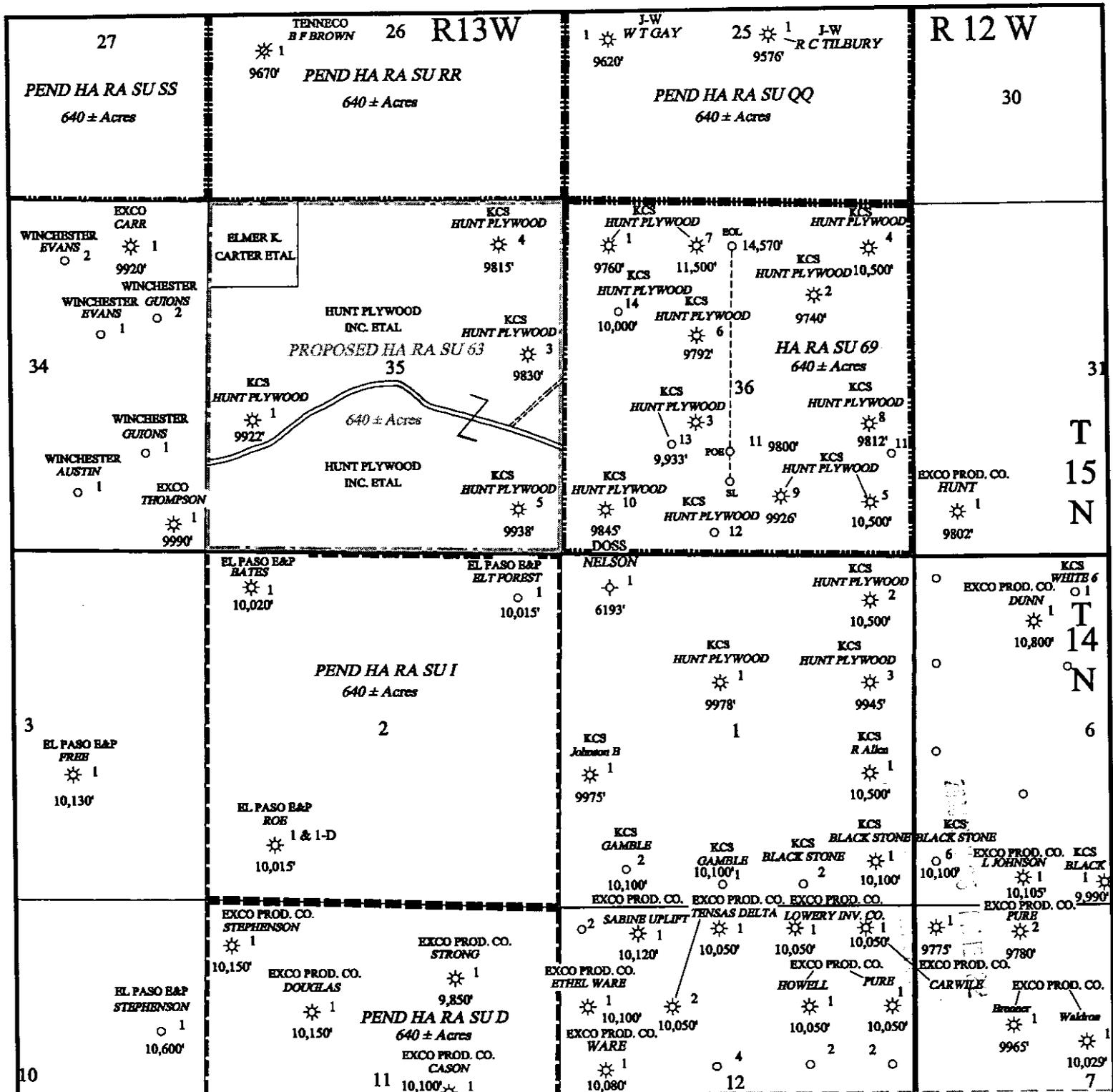


EXHIBIT No. 1

DOCKET No. 08-

KCS RESOURCES, INC.
TULSA, OKLAHOMA

CASPIANA FIELD
DeSOTO PARISH, LOUISIANA

PROPOSED HAYNESVILLE RESERVOIR A SAND UNIT 63

--- : PROPOSED HAYNESVILLE RESERVOIR A SAND UNIT 63
 - - - - : PENDING HAYNESVILLE RESERVOIR SAND UNITS

GEOLOGIST: CRAIG C. BARCLAY



SHALLOW WELLS NOT SHOWN

...LARRY\KCS\CASPIANA\35_15_13.dwg