

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

March 9, 2010

TELEPHONE (318) 221-6277

TELECOPIER (318) 227-7850

When calling relative to this
matter, refer to file No. 3117

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, LLC 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 authorize KCS Resources, LLC to drill, designate and utilize a horizontal lateral as an alternate unit well for HA RA SUB at the surface and bottom hole locations and in the general manner shown on the plat attached hereto and made a part hereof, or at such locations and along a path within a 100 foot radius of such locations and path, provided that in no event may the well be perforated closer than 330 feet to any unit line;
2. To establish that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the Haynesville Zone, Reservoir A, underlying HA RA SUB;
3. To authorize the unit allowable for this unit to be recovered from the existing unit well, the proposed alternate unit well, 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.

The Haynesville Zone, Reservoir A, in the Elm Grove Field, Bienville, Bossier, Caddo and Webster Parishes, Louisiana, was initially defined in Office of Conservation Order No. 361-L-1,

COOK, YANCEY, KING & GALLOWAY

Office of Conservation
March 9, 2010
Page 2

effective August 26, 2008, and redefined AS TO HA RA SUB in Office of Conservation Order No. 361-L-9, effective October 21, 2008.

The subject matter of this application does not require the issuance of a pre-application notice.

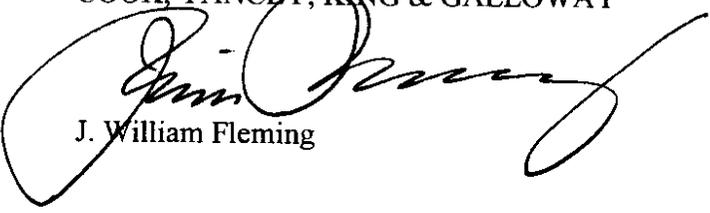
The actual path of the proposed alternate unit well may differ from the direct path from the surface to the bottom hole location depicted on the attached plat. However, in no event will the well be perforated closer than 330 feet to any unit line.

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 requesting a copy of it. Enclosed with the copy of this letter being sent to the Commissioner of Conservation is check for the required 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. Ron Tuminello

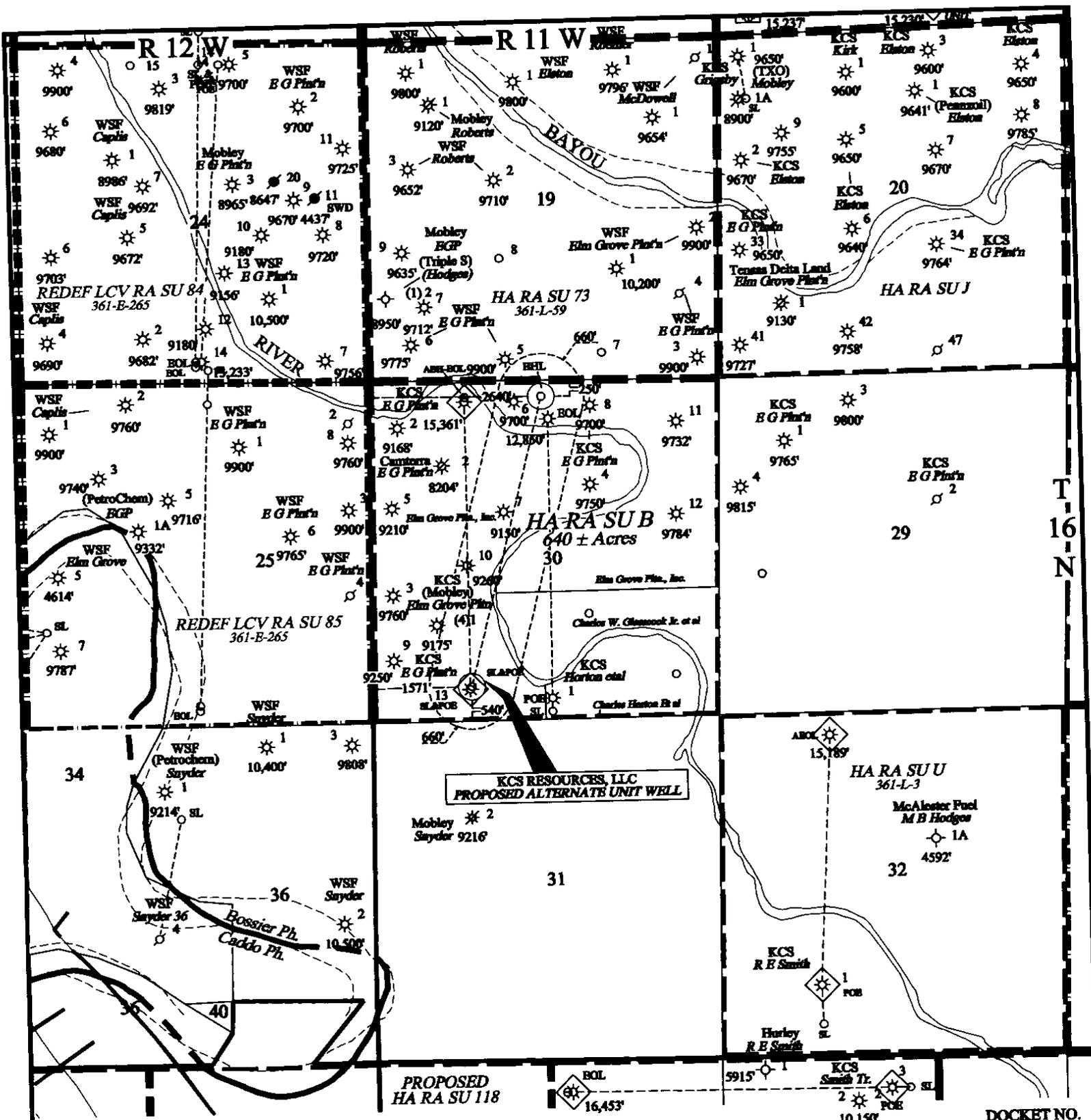


EXHIBIT NO. 1

KCS RESOURCES, LLC
Tulsa, Oklahoma

ELM GROVE FIELD
Bossier Parish, Louisiana

PROPOSED ALTERNATE UNIT WELL FOR HAYNESVILLE ZONE, RESERVOIR A SAND UNIT B

-  : EXISTING HAYNESVILLE ZONE, RESERVOIR A SAND UNITS
-  : EXISTING REDEFINED LOWER COTTON VALLEY RESERVOIR A SAND UNITS
-  : PROPOSED ALTERNATE UNIT WELL
-  : EXISTING UNIT WELLS
-  : EXISTING ALTERNATE UNIT WELLS

NO PERFORATIONS CLOSER THAN 330' FROM UNIT LINE.



NOTE: SHALLOW WELLS NOT SHOWN

SEC. 30 HA RA SUB. EG