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August 4, 2010

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When calling relative to this matter,
refer to file No. 3189

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

**RE: Cotton Valley Formation, 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 Cotton Valley Formation, 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 at an exceptional location for CV RA SU37, to be drilled from the surface location and to the bottom hole location and in the general manner shown on the plat attached hereto and made a part hereof, or within 100 feet of the locations and path shown provided there are no perforations in the wellbore closer than 330 feet to any unit line;
2. To confirm that with respect to the proposed alternate unit well, where the horizontal lateral is cased and cemented back above the top of Cotton Valley Formation, Reservoir A, the distance to any unit boundary and any offset well(s) should be calculated based on the distance to the nearest perforation in the well and not based on the penetration point or terminus;
3. To find that the proposed alternate unit well is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SU37 which cannot be efficiently and economically drained by any other well;

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4. To authorize the unit allowable for CV RA SU37 to be recovered from the any of the wells located on the unit, 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 Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster, and Bienville Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

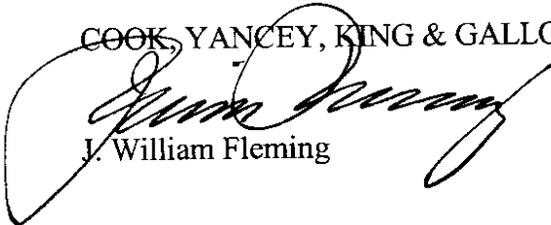
The subject matter of this application does not require the issuance of a Pre-Application Notice.

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

The list of names attached to the copy of the 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 plats 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 Office 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. Craig Barclay
Ms. Mary Jo Dixon

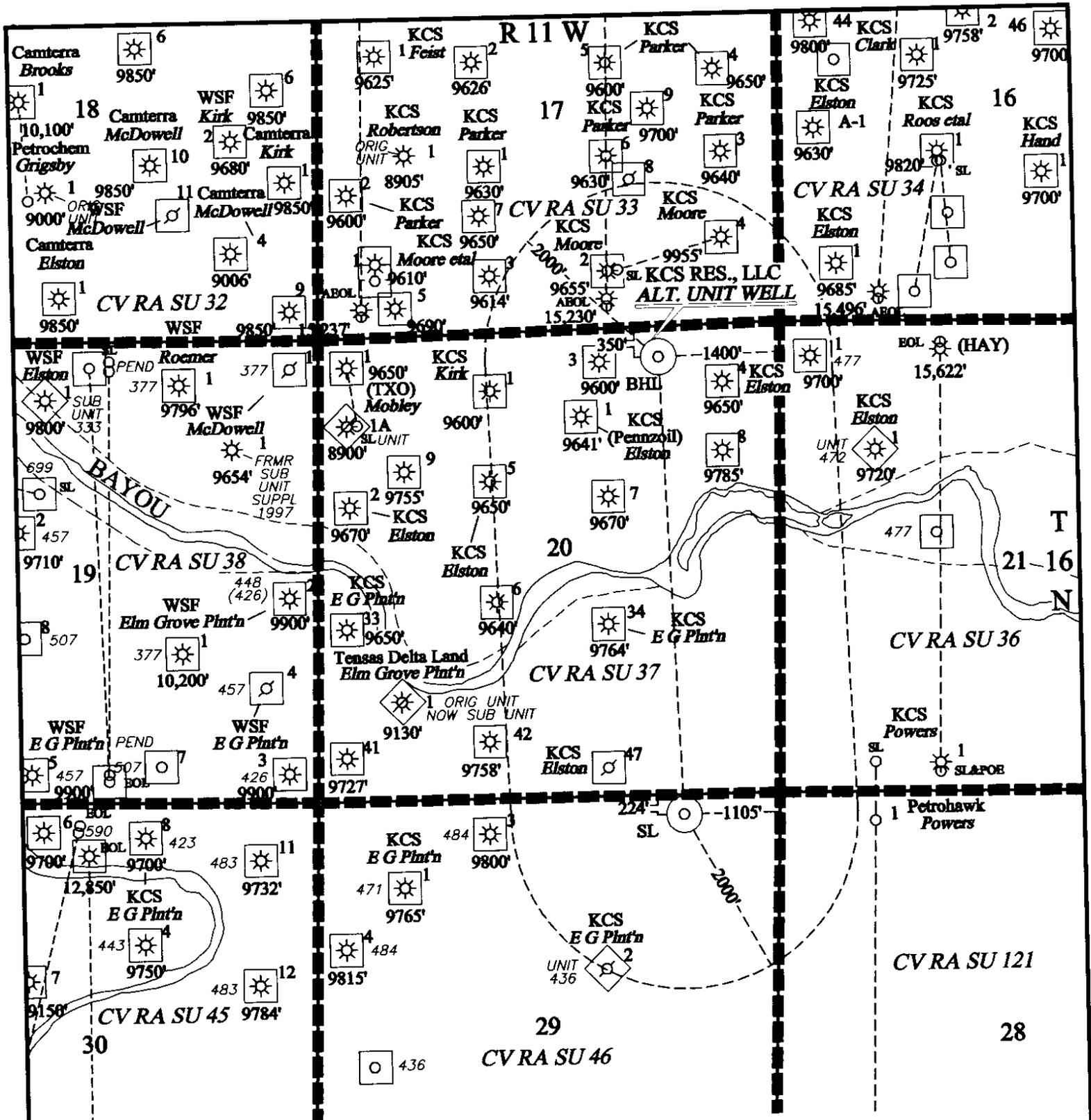


EXHIBIT NO. 1

DOCKET NO.

KCS RESOURCES, LLC
Tulsa, Oklahoma

ELM GROVE FIELD
Bossier Parish, Louisiana

PROPOSED ALTERNATE UNIT WELL FOR COTTON VALLEY RESERVOIR A SAND UNIT 37

 : EXISTING LOWER COTTON VALLEY RESERVOIR A SAND UNITS

 : PROPOSED ALTERNATE UNIT WELL  : EXISTING UNIT WELLS  : EXISTING ALTERNATE UNIT WELLS

NOTE: PERFS NO CLOSER THAT 330'
FROM UNIT LINES.



NOTE: SHALLOW WELLS NOT SHOWN