

InterCoast Oil and Cas Company 7130 South Lewis Avenue Suite 700 Tulsa: Cklahoma - 74136 918 488-8283 Telephone 918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

Kathryn Kersey Alexander and Marie Kersey Wate Trustees of the Harold Kersey and Mary Ellen Kersey Revocable Trust 808 Grand Artesia, NM 88210

RE: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Ms. Alexander and Ms. Wate:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") has acquired interests in the referenced lands pursuant to well trade agreements with Logro Corporation. In this connection, InterCoast proposes the drilling of an 11,000' Morrow well at a location in the SE/4 of Section 33. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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- 3. You would reserve in such assignment an overriding royalty interest equal to the difference between existing leasehold burdens and 25%, proportionately reduced to the interest being assigned.

Kathryn Kersey Alexander and Marie Kersey Wate November 20, 1996 Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY

D.R. Defferbaugh, CPL Senior Landman

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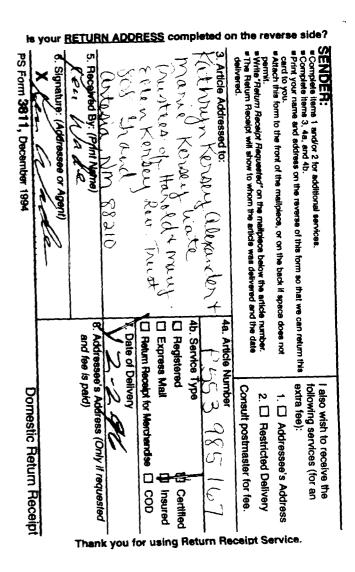
Enclosure

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Case No. <u>11712</u> Exhibit No. <u>4</u>

Submitted by: InterCoast Oil and Gas Company

Hearing Date: February 20, 1997



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InterChard Opian (Tran Conipari), 7130 South Lewic Avenue Suite 700 Tulsa: Oklahoma (74136) 918 488 8283 Teinphone 918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

Parker & Parsley Prod. Co. Box 3178 Midland, TX 79702

RE: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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April 1995

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InterOpalitiC Lland Guri Company 7130 Soluth Cowlis Avenue Such 100 Tursal Oklahoma - 74136 918 485 6053 Totopope 918 466-6150 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

Louis Dreyfus Natural Gas 14000 Quail Springs, Suite 600 Oklahoma City, OK 73134-2600

RE: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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An InterCoast Energy Company

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Louis Dreyfus Natural Gas November 20, 1996 Page 2

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D.R. Deffenbaugh, CPL Senior Landman

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Enclosure

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InterCoalist Onland Gal Climpials 7130 South Lewis Avrinue Suite 700 Tulsa, Oklanoma 174135 918 488-8283 Telephone 918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

Conoco, Inc. 10 Desta Dr. Midland, TX 79705

('al Shenell 1915)

RE: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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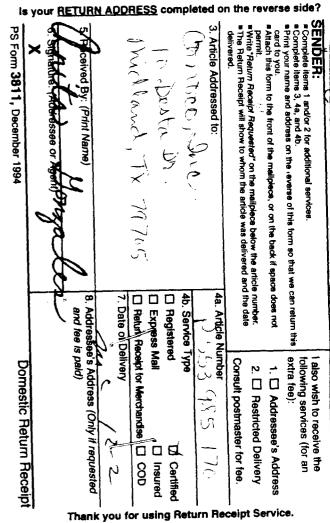
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INTERCOAST OIL AND GAS COMPANY

D.R. Deffenbaugh, CPL Senior Landman

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Enclosure



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April

1995

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Writer's Direct Number - (918) 491-4105

November 20, 1996

Marathon Oil Co. 1501 Stampede Ave. Cody, WY 82414

RE: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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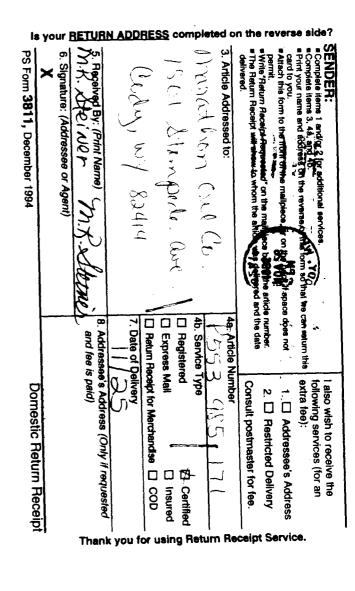
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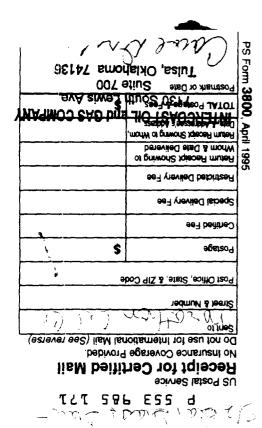
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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 •• Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Amoco Production Company P. O. Box 4891 Houston, TX 77210

Attention: Jerry West

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

An InterCoast Energy Company

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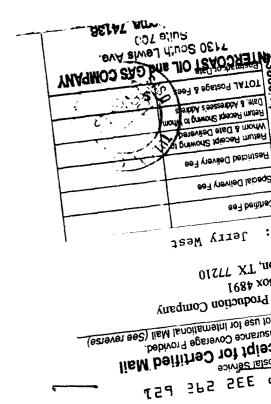
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December 11, 1996

InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

Coradene Autry 6109 Denis Lane Odessa, TX 79762-5128

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Ms. Autry:

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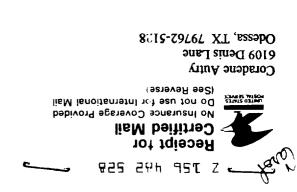
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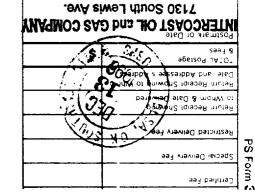
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An InterCoast Energy Company

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Suite 700 Tulsa, Oklahoma 74136

r.



December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

Bright and Company 2911 Turtle Creek Blvd., #700 Dallas, TX 75219-6251

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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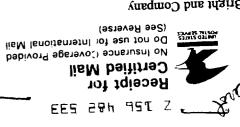
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December 11, 1996

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Writers Direct Number (918) 491-4105

CERTIFIED MAIL-RETURN RECEIPT

Olen F. Featherstone, II 1801 W. Second St. Roswell, NM 88201-1709

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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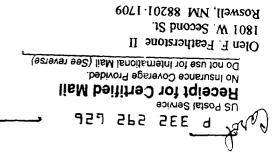
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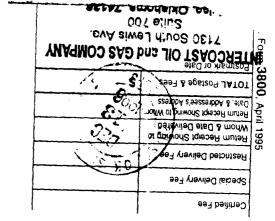
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י אסחנ ד	6. Signature: (Addresses or Agent)	
1	PS Form 3811 , December 1994	Domestic Return Receipt

Thank you for using Return Receipt Service.







CERTIFIED MAIL-RETURN RECEIPT

Finwing Corporation P. O. Box 10886 Midland, TX 79702-7886

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
- 2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
- 3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

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I also wish to receive the following services (for an extra tee): 1.	4a. Article Number Z (56 48 2 5 19 4b. Service Type □ Registered □ Express Mail □ Return Receipt for Merchandise □ COD 7. Date of Delivery	8. Addressee's Address (Only if requested and fee is peld) Domestic Return Receipt
an return th does not number. the date	48. Article Numbe 2. 156. 4b. Service Type 1. Registered 1. Express Mail 7. Date of Delive	8. Addre
SENDER: Secondete terms 1 and/or 2 for additional services. a Complete terms 3, 4s, and 4b. a Frint yourhanne and address on the reverse of this form so that we can return this a Print yourhanne and address on the reverse of this form so that we can return this a Print yourhanne and address on the reverse of this form so that we can return this card to you. a Atach the form to the front of the malipiece, or on the back if space does not a Atach the form to the front of the malipiece below the article number. a Write 'Return Receipt will show to whom the article was delivered and the date delivered.	Addressed to: Ig Corporation 30x 10886 nd, TX 79702-7886	5. Received By: (Ppint Name) / (, S. Received By: (Ppint Name) / (, S. Siggapura: (Addressee or Agent) (, M) PS Form 3811, December 1994



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Return Receipt Showing to Wh. Date, and Addressee's Address	
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Restricted Delivery Fee	
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INTERCORST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136



December 11, 1996

InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

Charles C. Harlan, Jr. c/o Scott Venezia P. O. Box 432976 San Ysidro, CA 92143-2976

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Mr. Harlan:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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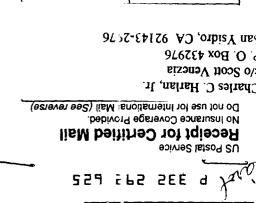
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| ceipt Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Thank you for using Return Re                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | سدا                                                                                |
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| can return this<br>does not<br>number.<br>I the date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 4a. Article Number<br>4b. Service Type<br>Begistered<br>Express Med<br>7. Date of Delivery<br>7. Date of Delivery<br>8. Addressee's |                                                                                    |
| SENDER:<br>Scomplete items 1 and/or 2 for additional services.<br>a Complete items 1, and/or 2 for additional services.<br>a Complete items 3, 4a, and 4b.<br>a Complete items 3, 4a, and 4b.<br>a Complete items 3, 4a, and 4b.<br>a Complete items 1, 4b.<br>and 4b.<br>a Complete items 1, 4b.<br>a Com | 3. Article Addressed to:<br>Charles C. Harlan, Jr.<br>c/o Scott Venezia<br>P. O. Box 432976<br>Santy sidro, CA 92143-2976<br>Santy sidro, CA 92143-2976<br>5. Received By: (Print Name)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 6. Signature: (Addressee of Agent)<br>X X 1000 1994<br>PS Form 3811, December 1994 |



| ~ | CO.    | Postmark or Date<br>Affuc 2 05 r 7<br>1 42 uc 2 05 r 7<br>5 ei u 2<br>2 ei | PS Form    |
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|   | 13     | Return Receipt Showing to Whom,<br>Date, & Addressee's Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |
| Ň | 2.25   | Return Receipt Showing to<br>Whom & Date Delivered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | April 1995 |
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|   |        | Special Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

December 11, 1996

### **CERTIFIED MAIL-RETURN RECEIPT**

Hyco Industries Inc. P. O. Box 840 Artesia, NM 88211-0840

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
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Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

An InterCoast Energy Company

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| INDER:<br>complete items 1 and/or 2 for additional services.<br>complete items 3, 4a, and 4b.<br>Thirt your name and address on the reverse of this form so that we can return this<br>and form so that we can return this | n return this       | l also wish to receive the<br>following services (for an<br>extra fee): | .8       |
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| ourse.<br>Nitie "faur Receipt Requested" on the melipiece below the article number.<br>The Data Domine will show to whom the article use defined and the data                                                              | umber.              | 2. 🔲 Restricted Delivery                                                | es       |
|                                                                                                                                                                                                                            |                     | Consult postmaster for fee.                                             | )<br>di9 |
| Article Addressed to: 4                                                                                                                                                                                                    | 4a. Article Number  | mber                                                                    | <b>3</b> |
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| nyco muusures inc.                                                                                                                                                                                                         | 4b. Service Type    | ype                                                                     | nţi      |
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| Artesia, NM 88211-0840                                                                                                                                                                                                     | C Express Mail      |                                                                         | Suis     |
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| MCH W                                                                                                                                                                                                                      | and fee is paid)    | paid)                                                                   | [pai]    |
| 6. Signature: (Addresseed or Agent)                                                                                                                                                                                        |                     |                                                                         | L        |
| PS Form <b>3811</b> , December 1994                                                                                                                                                                                        |                     | <b>Domestic Return Receipt</b>                                          |          |
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| Artesia, NM 88211-0840            |
| P. O. Box 840                     |
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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

**CERTIFIED MAIL-RETURN RECEIPT** 

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Jalapeno Corporation P. O. Box 1608 Albuquerque, NM 87103

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

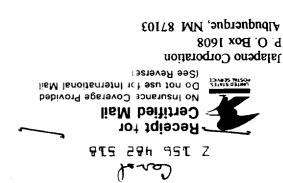
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| t Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | rn Receip                                    | intefi Brit                              | n ioi uol                                                      | Thank                                                        |                                     |
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| I also wish to receive the<br>following services (for an<br>extra fee):<br>1. □ Addressee's Address<br>2. □ Restricted Delivery                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Lonsuit postmaster for fee.<br>こ」」ろん イ8ス ら18 | ype<br>d DAC Certified<br>Mail D Insured | Return Receipt for Merchandise COD     CD     Acte of Delivery | 8. Addressee's Address (Only if requested paid fige is paid) | Domestic Return Receipt             |
| SENDER:<br>= Complete items 1 and/or 2 for additional services.<br>= Complete items 1 and/or 2 for additional services.<br>= Complete items 3, 4a, and 4b.<br>= Complete items 4, 4b.<br>= Complete items 3, 4a, and 4b.<br>= Complete items 3, 4a, | ed to:                                       | P. O. Box 1608<br>Albuquerque, NM 87103  | DEU<br>18<br>1990<br>SPS                                       | 5. Heceived By: (Print Name)                                 | PS Form <b>3811</b> , December 1994 |



| <b>NTERCOAST OIL End CAS COMPANY</b><br>7130 South Lewis Yeve.<br>Suite 700<br>Tulsa, Oklahoma 74136                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

**CERTIFIED MAIL-RETURN RECEIPT** 

Writers Direct Number (918) 491-4105

Ariel H. R. Johnson 7220 Via De La Siesta Scottsdale, AZ 85258-4024

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Ms. Johnson:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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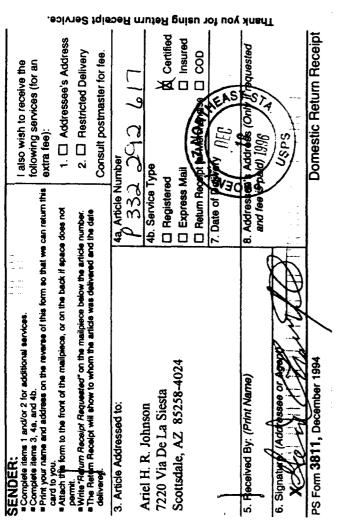
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# US Postal Service Receipt for Certified Mail No Insurance Coverage Provided 718 5P5 5E

Do not use for International Mail (See reverse)

Scottsdale, AZ 85258-4024 7220 Via De La Siesta Ariel H. R. Johnson

|                | 7130 South Lewis Ave.<br>01te 700                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |
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|                | Return Receipt Showing to Whom.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | •   |
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|                | Special Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |
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December 11, 1996

# **CERTIFIED MAIL-RETURN RECEIPT**

Earl A. Latimer, Jr. 219 Shawnee Rd. Dexter, NM 88230-9637

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Mr. Latimer:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
- 2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
- 3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

An InterCoast Energy Company

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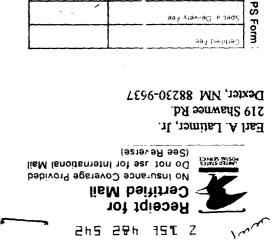
InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

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| eceipt Service.                                                                                                                                                                                                                                                                                                                                                                                                                            | Thank you for using Return F                                                                                                                                                                                                                                                                                                                                                                                            | 1+-                     |
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| I also wish to receive the<br>following services (for an<br>extra fee):<br>1.                                                                                                                                                                                                                                                                                                                                                              | 4. Service Type       4. Service Type       8. Certified         15. 6       4.8. Service Type       8. Certified         16. Registered       11       11         17. Date of Delivery       111       111         18. Addresse 's Address (Only If requested       111       111         17. Date of Delivery       111       111         18. Addresse 's Address (Only If requested       and fee is paid)       111 | Domestic Return Receipt |
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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

December 11, 1996

#### **CERTIFIED MAIL-RETURN RECEIPT**

Roland McLean 10912 NW 5th Ct. Plantation, FL 33324-1533

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Mr. McLean:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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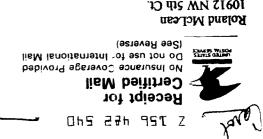
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| <ul> <li>SENDER:</li> <li>Complete items 1 and/or 2 for additional services.</li> <li>Complete items 3, 4a, and 4b.</li> <li>Complete items 3, 4a, and 4b.</li> <li>Entity your name and address on the reverse of this form so that we can return this card to vor.</li> </ul> | at we can return this                   | l also wish to receive the<br>following services (for an<br>extra fee): | 1              |
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| Extract this form to the front of the malipiece, or on the back if space does not<br>be matrix 8                                                                                                                                                                                | space does not                          | 1. 🔲 Addressee's Address                                                |                |
| <ul> <li>         ■ Write 'f etum Receipt Requested' on the mailpiece below the article number.         ■         ■ The Return Receipt will show to whom the article was derivered and the date.         ■         =         =         =</li></ul>                              | article number.<br>ed and the date      | 2. 🔲 Restricted Delivery                                                |                |
| detivered.                                                                                                                                                                                                                                                                      |                                         | Consult postmaster for fee.                                             |                |
| o 3. Artičle Addressed to:                                                                                                                                                                                                                                                      | 4a. Article Number                      | Imber                                                                   | 1              |
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| E Koland McLean                                                                                                                                                                                                                                                                 | 4b. Service Type                        | ype .                                                                   | 1              |
| 6 10912 NW 5th Ct.                                                                                                                                                                                                                                                              | C Registered                            | d Certified                                                             | -              |
| Plantation, FL 33324-1333                                                                                                                                                                                                                                                       | C Express Mail                          | Aail D Insured                                                          | •              |
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| -Q                                                                                                                                                                                                                                                                              |                                         |                                                                         |                |
| (5. Hoceived By: (Print Name)                                                                                                                                                                                                                                                   |                                         | 8. Addressee's Address (Only if requested and fee is paid)              | · ·            |
| 5 6. Synatures (Addressee or Agent)                                                                                                                                                                                                                                             | Ţ                                       |                                                                         | -              |
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| PS Form 3811, December 1994                                                                                                                                                                                                                                                     | /                                       | Domestic Return Receipt                                                 |                |
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Thank you for using Return Receipt Service.

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Plantation, FL 33324-1533 10912 NW 5th CL

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| eture Receipt Showing<br>in Whom & Date Delivered                                                           | ¥                     |
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Tules, Okiahoma 74136

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Writers Direct Number (918) 491-4105

#### **CERTIFIED MAIL-RETURN RECEIPT**

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Nanta Oil and Gas Corporation P. O. Box 10886 Midland, TX 79702-7886

Trade

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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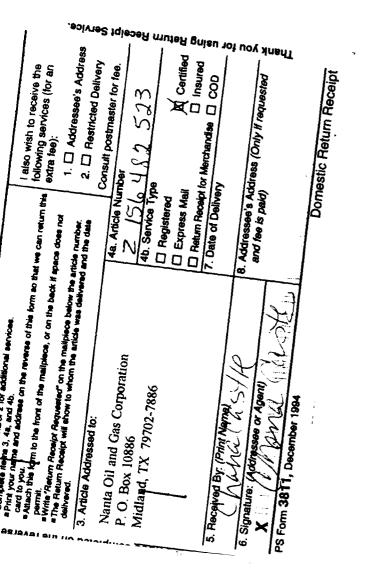
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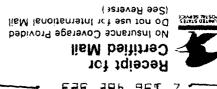
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An InterCoast Energy Company

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Nanta Oil and Gas Corporation P. O. Box 10886 Midland, TT 79702-7886

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**NTERCOAST Of and GAS COMPANY** 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136

Tuisa, Okiahoma 74136



December 11, 1996

# **CERTIFIED MAIL-RETURN RECEIPT**

Writers Direct Number (918) 491-4105

A E Tex Oil and Gas Inc. P. O. Box 2070 Hobbs, NM 88241-2070

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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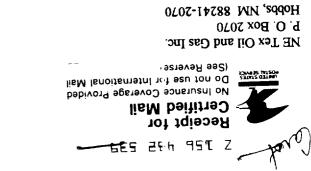
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| l also wish to receive the<br>following services (for an<br>extra fee):                                                                                                                                        | 1. 🔲 Addressee's Address                                                         | 2. 🔲 Restricted Delivery                                                                                                                                            | Consult postmaster for fee. | 4a. Article Number<br>Z ISL 482 539 | Type       |                                        | Mail Insured | COD Return Receipt for Merchandise | elivery 25 and 20   | 18 | B. Addressee's Address (Only if requested | paid)                         | S-21                              | Domestic Return Receipt         |
| SENDER:<br>■ Complete items 1 and/or 2 for additional services.<br>■ Complete items 3, 4a, and 40.<br>■ Print your nume and address on the reverse of this form so that we can return this<br>print your nume. | Attack this form to the front of the malipiece, or on the back if space does not | verture.<br>■ Mitter Receipt Requested" on the mailpiece below the article number.<br>■ The Benium Bereind with show to whom the article was delivered and the date |                             |                                     | L Cas Inc. | P. U. BOX 20/0<br>Urbbs NDA 99241 2070 |              | C Return Rec                       | 7. Date of Delivery |    | 5. Becaived By: (Print Name) 8. Addressee | KODELJA HISEP and ree is paid | 6. Signature (Addressee of Agent) | PS Form 3811, December 1994 111 |
| Sebia een                                                                                                                                                                                                      | IOVS                                                                             | n ed                                                                                                                                                                | դ սզ                        | o bete                              | Idu        | юэ                                     | SS:          | ายด                                | IdA                 | N  | <u>IUI</u>                                | 38                            | <b>λ</b> ont                      | 91                              |



|   | VTERCOAST OIL and CAS COMP<br>7130 South Lewis Ave.<br>Suite 700<br><b>Tulse,</b> Oklahoma 74136 |
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Writers Direct Number (918) 491-4105

December 11, 1996

# **CERTIFIED MAIL-RETURN RECEIPT**

Olwick Corporation P. O. Box 10886 Midland, TX 79702-7886

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

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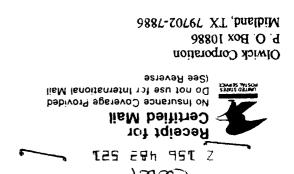
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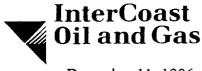
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| Hetum Receipt Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |
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Juisa, Okiahoma 74136



December 11, 1996

## **CERTIFIED MAIL-RETURN RECEIPT**

Petraitis Oil and Gas Inc. P. O. Box 10886 Midland, TX 79702-7886

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Inade

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Writers Direct Number (918) 491-4105

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
- 2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
- 3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

| i Service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                | n Beceip                                                                                                          | uteR paire       | iuk Xon tot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | PUL                                                                                    |  |
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| I also wish to receive the<br>following services (for an<br>extra fee):<br>1.                                                                                                                                                                                                                                                                                                                                                                                             | ta. Article Number<br>2 /56 482 525                                                                               | 4b. Service Type | 7. Date of Delivery<br>8. Addressee's Address (Only if requested                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | paid)<br>Domestic Return Receipt                                                       |  |
| SENDER:<br>SCONDER:<br>Complete items 1 and/or 2 for additional services.<br>Complete items 3, 4a, and 4b.<br>Complete items 3, 4a, and 4b.<br>Control of the newtre of this form so that we can return this<br>card to your name and address on the newtre of this form so that we can return this<br>permit.<br>Antice Meturn Receipt Requested" on the malipiece below the anticle number.<br>The Return Receipt Requested" on the malipiece below the anticle number. | delivered.     Cons       3. Article Addressed to:     4a. Article Number       Detroitic Oil and Cons Inc.     Z |                  | 5. Received By: (Print Name) 8. Addressee's Addressee' | Bignature: (Addressee or Agent) (1) (1) (1) (1) (2) (2) (2) (2) (2) (2) (2) (2) (2) (2 |  |

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Tuisa, Oklahoma 74136



#### **CERTIFIED MAIL-RETURN RECEIPT**

Phillips Petroleum Company P. O. Box 1967 Houston, TX 77251-1967

Bear Grass Draw Re: S/2 Section 33-17S-29E Eddy County, New Mexico

InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

Will der as Anne doer per Georgia Fenton

Gentlemen

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In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
- 2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
- Assign all of your interest in the S/2 of Section 33 for no bonus 3. consideration, reserving a 1/4th royalty.

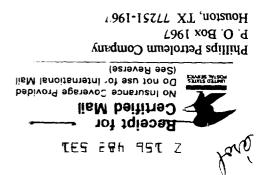
Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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An InterCoast Energy Company

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|   | l also wish to receive the<br>following services (for an<br>extra fee):                                                                                                                                            | 1. 🔲 Addressee's Address                                                        | 2. 🗖 Restricted Delivery                                                                                                                                                                | Consult postmaster for fee. | er                       | 2156482531                 |                  | Certified             |                | C Return Receipt for Merchandise COD | 7. Date of Delivery DEC 1 6 1996 | 8. Addressee's Address (Only If requested and fee is paid) |                                   | <b>Domestic Return Receipt</b> | 1 |
|   |                                                                                                                                                                                                                    |                                                                                 |                                                                                                                                                                                         |                             | 4a. Article Number       | 2156                       | 4b. Service Type | C Registered          | C Express Mail | C Return Receipt                     | 7. Date of Delive                | 8. Addressee's Ad<br>and fee is paid)                      |                                   | Ğ                              | • |
|   | SENDER:<br>= Complete Herms 1 and/or 2 for additional services.<br>= Complete Herms 3, 4a, and 4b.<br>= Print your name and address on the reverse of this form so that we can return this<br>= ord for your name. | extend of your and the front of the mailpiece, or on the back if space does not | perriar.<br>• Write <i>"Return Receipt Requested</i> " on the mailpiece below the anticle number.<br>• The Device Beach will show in whom its whom the anticle was defined and the date | delivered.                  | 3. Article Addressed to: | Phillins Petroleum Company | P O Box 1967     | Houston TX 77751-1967 |                |                                      |                                  | 5. Received By: (Print Name)                               | 6. Signature: (Addressee of Aden) | PS Form 3811, December 1994    |   |

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| `.    | Restricted Delivery Fee                                         |

Tulsa, Oklahoma 74136



## **CERTIFIED MAIL-RETURN RECEIPT**

Charles F. Qualia - -P. O. Box 7221 Midland, TX 79708-0221

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Mr. Qualia:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

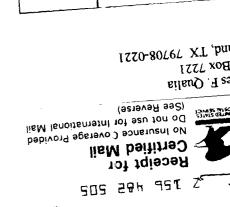
Writers Direct Number (918) 491-4105

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An InterCoast Energy Company

| I also wish to receive the<br>following services (for an<br>extra fee):                                                                                                                                                                                                                                  | 1. 🔲 Addressee's Address                                                        |                                                                                                                                                                   | Consult postmaster for fee. | 4a. Article Number         | Z 156 48,2 505 | 4b. Service Type   | Certified R    | Express Mail | COD Since COD Since COD Since COD | 7. Date of pelivery A G | R Artraceae's Artrace (Only if raninated X | and fee is paid) | L                                   |                 | Domestic Return Receipt        | •                          |
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| <ul> <li>SENDER:</li> <li>Complete items 1 and/or 2 for additional services.</li> <li>Complete items 3, 44, and 40.</li> <li>Pirit your name and address on the revense of this form so that we can return this card to be and address on the revense of this form so that we can return this</li> </ul> | Ender of the front of the mailplece, or on the back if space does not<br>commit | Perturn<br>between the second requested on the mailpiece below the article number.<br>The Return Receipt will show to whom the article was delivered and the date | c delivered.                | a 3. Article Addressed to: |                | Charles F. Qualita | P. O. Box /221 | 1270-07/2/ V |                                   |                         | 6 Bacelved By: (Ddnt Neme)                 |                  | 6. Signature: (Addressee or Agenty) | X Herada Windia | PS Forth 38,11, December 1,994 | · A right can be a right a |



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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

**CERTIFIED MAIL-RETURN RECEIPT** 

1

Ralph N. Randel 5251 Rendon Rd. Ft. Worth, TX 76140-9673

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Dear Mr. Randel:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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| Sebis es | SENDER:<br>= Complete items 1 and/or 2 for additional services.<br>= Complete items 3, 4s, and 4b.<br>= Print your reme and address on the reverse of this form so that we can return this | 1 also wish to receive the<br>following services (for an<br>this extra fee): |
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| ye u     | Write: Receipt Requested" on the mailplece below the article number. The Brance will above to whom the article was delivered and the date                                                  | 2. C Restricted Delivery                                                     |
| t no     | delivered.                                                                                                                                                                                 | Consult postmaster for fee.                                                  |
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| 138      | Mrs. Rallph Randel and                                                                                                                                                                     | and fee is paid)                                                             |
| i un     | 6. Signature: (Addressee or Agent)                                                                                                                                                         |                                                                              |
| o Á s    | X mrs. Ralph Randell                                                                                                                                                                       | \$<br>                                                                       |
| 1        | PS Form <b>3811</b> , December 1994                                                                                                                                                        | Domestic Return Receipt                                                      |
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#### **CERTIFIED MAIL-RETURN RECEIPT**

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Shinnery Investment Co. 906 S. St. Francis Dr., Suite C Santa Fe, NM 87501-3761

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

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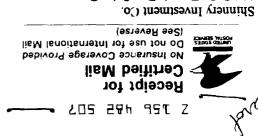
InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74126 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

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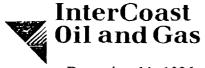
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|           | l also wish to receive the<br>following services (for an<br>extra fee):                                                                                                                                               | 1. 🗖 Addressee's Address                                                                             | 2. 🗖 Restricted Delivery                                                                                                                                                                     | Consult postmaster for fee. | umber                    | Z 156 482 507            | (ype                           | d Certified            | _   | Return Receipt for Merchandise     COD | divery                | 2-18-56 | 8. Addressee's Address (Only it requested<br>and fee is paid)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | • | Domestic Return Receipt             |
| r cennea. | <ul> <li>Complete items 1 and/or 2 for additional services.</li> <li>Complete items 3, 44, and 4b.</li> <li>Print your name and address on the reverse of this form so that we can return this out or you.</li> </ul> | A Attack Title form to the front of the malipiece, or on the back if apace does not<br>a write form. | e traine neuron necessar sequested on the mailplece below the anticle number.<br>If the Return Receipt will show to whom the anticle was delivered and the date<br>of delivered and the date | 0 3 Attoin Add              | e o. Muche Mudiessed to: | P Shinnery Investment Co | 906 S. St. Francis Dr. Suite C | Santa Fe NM 87601.2761 |     | C Return Reco                          | A 7. Date of Delivery |         | B. Addressee's Ad | se br Agent) |   | PS Form <b>3811</b> , December 1994 |

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Shinnery Investment (Jo. 906 S. St. Francis Dr. Suite C Santa Fe, NM 87501 3761

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| Return Receipt Showing<br>to Whom & Date Deliverec                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |
| Restricted Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |
| Special Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |
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**CERTIFIED MAIL-RETURN RECEIPT** 

InterCoast Oil and Gas Company . 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

Smith Investment Trust William Elder and Kester L. Omar, Co-Trustees P. O. Box 1785 Albuquerque, NM 87103-1785

Bear Grass Draw Re: S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

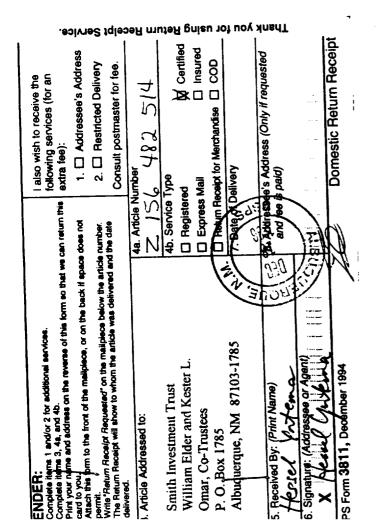
In connection with the test well, InterCoast proposes that you select one of the following alternatives:

- 1 Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
- 2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
- 3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

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Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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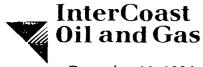
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|                                        | Specia: Delivery Fee                                                                                   |
|                                        | Certified Fee                                                                                          |

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PS Form :



## **CERTIFIED MAIL-RETURN RECEIPT**

Clayton Williams Energy Inc. 6 Desta Drive, Suite 1100 Midland, TX 79705-5510

Re<sup>-</sup> Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

Trade

Gentlemen.

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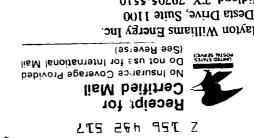
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- Assign all of your interest in the S/2 of Section 33 for no bonus 3. consideration, reserving a 1/4th royalty.

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Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

| DER:<br>pres items 1 and/or 2 for additional services.<br>prese items 3, 44, and 45.    | I also wish to receive the<br>following services (for an                        |             |
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| your name and address on the reverse of this form so that we can return this<br>to you. |                                                                                 | .90         |
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| idon Williams Freedor Inc                                                               | Z 156 482 517                                                                   | A ni        |
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eva sing cuta long and Suth Lewis Ave. 007 etius

Tuisa, Okiahoma 74136



Writers Direct Number (918) 491-4105

**CERTIFIED MAIL-RETURN RECEIPT** 

Yates Energy Corporation P. O. Box 2323 Roswell, NM 80202-2323

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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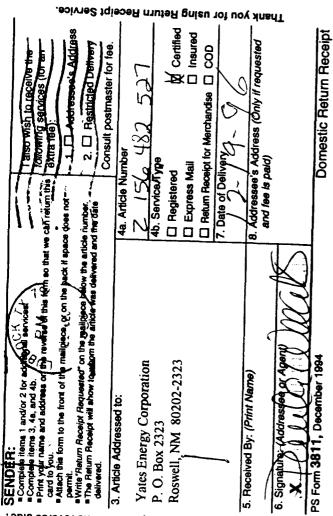
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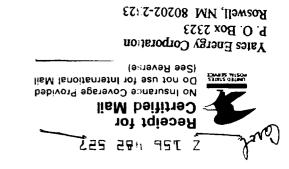
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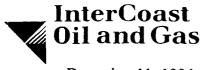
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| Restricted Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | /c |
| Specia Denvery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |
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Tulsa, Oklahoma 74136 7130 South Lewis Ave. Suite 700



## **CERTIFIED MAIL-RETURN RECEIPT**

Harvey E. Yates Co., Inc. P. O. Box 1933 Roswell, NM 88202-1933

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

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Will Participate

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

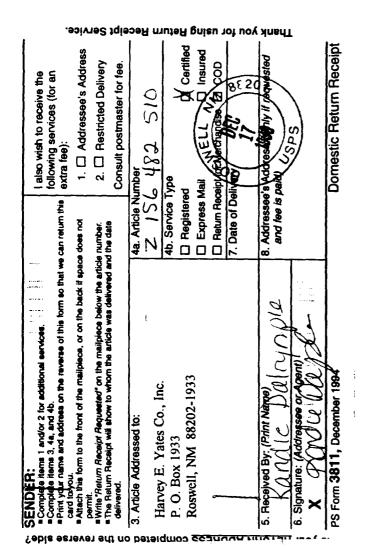
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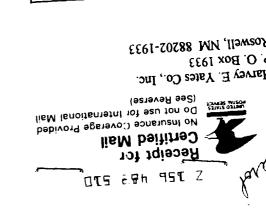
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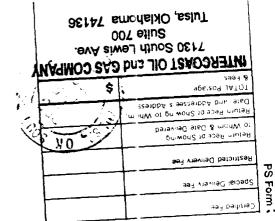
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**CERTIFIED MAIL-RETURN RECEIPT** 

Yates Petroleum Corporation P. O. Box 1395 Artesia, NM 88211-1395

Re: Bear Grass Draw S/2 Section 33-17S-29E Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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InterCoast Oil and Gas Company 7130 South Lewis Avenue Suite 700 Tulsa, Oklahoma 74136 918 488-8283 Telephone 918 488-8182 Fax

Writers Direct Number (918) 491-4105

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| additional services.                                        | complete iteme 3, 44, and 4b.                                 | and to you.<br>Uttach this form to the front of the malipiece, or on the back if space does not | with the second for the mainble on the mainble below the article number. 2. Thestincted Delivery the Basin will show to whom the article was delivered and the date | Consult postmaster for fee. | 1 to: 4a. Article Number | P 332 292 619 | Corporation 4b. Service Type |               | C Express Mail         | COD Return Receipt for Merchandise COD | 7. Date of Delivery | 12-10-56 | Int Name) 8. Addressee's Address (Only if requested | ARCAN and fee is paid) | issee of Agenti            | V Cochan         | ومعارضها والمعارفة والمراقعة والمناقل والمناقل والمنافع وال | cember 1994 Uomestic Heturn Heceipt |
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| NDER:<br>complete items 1 and/or 2 for additional services. | complete items 3, 4a, and 4b.<br>hint your name and address o | and to you.<br>Uttach this form to the front of t                                               | Minte "Return Receipt Request<br>Die Betein Receipt will show I                                                                                                     | jelivered.                  | . Article Addressed to:  |               | ales retroieum Lorporation   | . O. Box 1395 | Artesia, NM 88211-1395 |                                        |                     |          | 5, Repeived By: (Print Name)                        | Kethe Cochean          | 6. Signature: (Addressee o | X LI that Colhen |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | PS Form 3811. December 1994         |

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|                 | Restricted Delivery Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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