1000 mcfd
1 Bcf

PDM PROSPECT (High Side)
Turkey Track FIELD
EDDY COUNTY, NM
KCS MEDALLION RESOURCES, INC.
MORROW FORMATION
GAS TJQ MAJ LA

DATE	:	07/10/98
TIME	:	14:25:33
DBS FILE	:	TOM
SETUP FILE	:	TOM
SEQ NUMBER	:	37

R E S E R V E S   A N D   E C O N O M I C S

EFFECTIVE DATE: 6/98

-END- MO-YR -----	GROSS LIQUIDS PRODUCTION ---MBBLS---	GROSS GAS PRODUCTION ----MMCF---	NET LIQUIDS PRODUCTION ---MBBLS---	NET GAS PRODUCTION ----MMCF---	NET LIQ PRICE ---$/BBL---	NET GAS PRICE ---$/MCF---	NET LIQUID SALES -----M$----	NET GAS SALES -----M$----	TOTAL NET SALES -----M$----
12-98	1.293	114.899	.903	80.228	14.500	2.520	13.087	202.174	215.262
12-99	3.091	274.773	2.158	191.860	17.000	2.620	36.693	502.673	539.366
12-00	2.185	194.259	1.520	135.101	18.000	2.720	27.358	367.476	394.834
12-01	1.545	137.338	1.069	95.060	19.000	2.720	20.319	258.564	278.883
12-02	1.092	97.095	.756	67.206	20.000	2.720	15.121	182.800	197.921
12-03	.772	68.645	.535	47.513	21.000	2.720	11.225	129.236	140.461
12-04	.546	48.531	.378	33.591	21.000	2.795	7.936	93.887	101.823
12-05	.386	34.310	.267	23.748	21.000	2.872	5.611	68.211	73.822
12-06	.273	24.257	.189	16.790	21.000	2.952	3.967	49.560	53.526
12-07	.055	4.860	.038	3.364	21.000	3.034	.795	10.205	11.000
12-08									
12-09									
12-10									
12-11									
12-12									
S TOT	11.238	998.966	7.813	694.462	18.190	2.685	142.112	1864.786	2006.898
AFTER	.000	.000	.000	.000	.000	.000	.000	.000	.000
TOTAL	11.238	998.966	7.813	694.462	18.190	2.685	142.112	1864.786	2006.898

-END- MO-YR -----	WINDFALL PROFIT TAX -----M$----	NET ADVAL & PROD. TAXES -----M$----	DIRECT OPER EXPENSE -----M$----	INTEREST PAID -----M$----	CAPITAL REPAYMENT -----M$----	EQUITY INVESTMENT -----M$----	FUTURE NET CASHFLOW -----M$----	CUMULATIVE CASHFLOW -----M$----	10.0% CUM DISC CF -----M$----
12-98	.000	20.851	3.200	.000	.000	842.000	-650.789	-650.789	-645.061
12-99	.000	52.195	9.888	.000	.000	.000	477.284	-173.506	-213.238
12-00	.000	38.202	9.994	.000	.000	.000	346.639	173.133	71.906
12-01	.000	26.970	10.097	.000	.000	.000	241.816	414.949	252.729
12-02	.000	19.132	15.600	.000	.000	.000	163.190	578.139	363.793
12-03	.000	13.571	26.779	.000	.000	.000	100.111	678.250	425.698
12-04	.000	9.841	27.583	.000	.000	.000	64.400	742.650	461.917
12-05	.000	7.136	28.410	.000	.000	.000	38.275	780.925	481.503
12-06	.000	5.176	29.262	.000	.000	.000	19.088	800.013	490.402
12-07	.000	1.064	7.535	.000	.000	.000	2.401	802.414	491.449
12-08									
12-09									
12-10									
12-11									
12-12									
S TOT	.000	194.137	168.347	.000	.000	842.000	802.414	802.414	491.449
AFTER	.000	.000	.000	.000	.000	.000	.000	802.414	491.449
TOTAL	.000	194.137	168.347	.000	.000	842.000	802.414	802.414	491.449

	OIL	GAS
GROSS WELLS	.0	1.0
GROSS ULT., MB & MMF	11.238	998.966
GROSS CUM., MB & MMF	.000	.000
GROSS RES., MB & MMF	11.238	998.966
NET RES., MB & MMF	7.813	694.462
NET REVENUE, M$	142.112	1864.786
INITIAL PRICE, $	14.500	2.520
INITIAL N.I., PCT.	69.825	69.825

LIFE, YRS.	8.83
DISCOUNT %	10.00
UNDISCOUNTED PAYOUT, YRS.	2.08
DISCOUNTED PAYOUT, YRS.	2.33
UNDISCOUNTED NET/INVEST.	1.95
DISCOUNTED NET/INVEST.	1.59
RATE-OF-RETURN, PCT.	45.33
INITIAL W.I., PCT.	100.000

P.W. %	P.W., M$
10.00	491.450
12.00	443.954
15.00	379.507
18.00	322.120
20.00	287.269
25.00	210.238
40.00	41.632
60.00	-97.160
80.00	-184.474
100.00	-243.542

$Rc = \frac{1}{\frac{210}{515} + 1} = 71\%$

NEW MEXICO
OIL CONSERVATION DIVISION
KCS EXHIBIT 10
CASE NO. 11925 (de novo)

PDM PROSPECT (High Side)	DATE : 07/10/98
Turkey Track FIELD	TIME : 14:25:33
EDDY COUNTY, NM	DBS FILE : TOM
KCS MEDALLION RESOURCES, INC.	SETUP FILE : TOM
MORROW FORMATION	SEQ NUMBER : 37
GAS TJQ MAJ LA	

	INPUT DATA								CALCULATED DATA				
ITEM	SCHEDULING RATES			SCHEDULE UNTIL		PROCEDURE		ULTIMATE	LAST	EFF. DECL	INIT. RATE	FINAL RATE
405 START	9/98											
410 GAS	1000.00	50.00	M/D	1.00	BCF	EXP	X	1000.000	4/07	29.30	30417.	1521.
415 START	9/98											
420 OIL/GAS	11.25	11.25	B/MM	TO	LIFE	LIN	TIME		4/07			
505 PRI/OIL	.0000	.0000	$/B	TO	LIFE	FLAT	.00		8/98			
510 PRI/GAS	.2200	.2200	$/M	TO	LIFE	FLAT	.00		8/98		.220	
515 START	9/98											
520 OPC/T	800.00	X	$/M	9/02	AD	SCH	OPC		8/02		800.000	900.407
525 "	2000.00	X	$/M	TO	LIFE	SCH	OPC		4/07		2000.000	2609.547
530 STX/OIL	7.09	X	%	TO	LIFE	PC	.00		4/07		.071	.071
535 STX/GAS	8.39	X	%	TO	LIFE	PC	.00		4/07		.084	.084
540 STX/NGL	8.39	X	%	TO	LIFE	PC	.00		4/07		.084	.084
545 ATX	1.50	1.50	%	TO	LIFE	FLAT	.00		4/07		.015	.015
600 PRI/OIL	14.5000	X	$/B	01/99	AD	PC	.00		4/07		14.500	084
601 "	17.00	X	$/B	01/00	AD	PC	.00				17.000	
602 "	18.00	X	$/B	01/01	AD	PC	.00				18.000	
603 "	19.00	X	$/B	01/02	AD	PC	.00				19.000	
604 "	20.00	X	$/B	01/03	AD	PC	.00				20.000	
605 "	21.00	X	$/B	01/04	AD	PC	.00				21.000	
606 "	21.00	21.00	$/B	TO	LIFE	PC	.00				21.000	
611 PRI/GAS	2.3000	X	$/M	01/99	AD	PC	.00		4/07		2.300	.084
612 "	2.40	X	$/M	01/00	AD	PC	.00				2.400	
613 "	2.50	X	$/M	01/03	AD	PC	.00				2.500	
614 "	2.50	X	$/M	TO	LIFE	PC/Y	3.00				2.500	
619 PRI/WTR	.0490	X	$/B	TO	LIFE	PC/Y	3.00		4/07		.049	.062
700 NET/WI	100.0000	D	%	.0000	PAYOUT	FLAT	.00				1.000	1.000
701 " WI	96.25	D	%	TO	LIFE	FLAT	.00		4/07		.962	.962
705 START	8/98											
720 NET/NIC	69.8250	D	%	.0000	PAYOUT	FLAT	.00				.698	.698
721 " NIC	69.22	D	%	TO	LIFE	FLAT	.00		4/07		.692	.692
740 NET/NIG	69.8250	D	%	.0000	PAYOUT	FLAT	.00				.698	.698
741 " NIG	69.22	D	%	TO	LIFE	FLAT	.00		4/07		.692	.692

INVESTMENT	TANGIBLES & INTANGIBLES			TIME		PROCEDURE	TOTAL T&I	MONTH	RISK INV.	TOT. T&I&R	ESC. T&I&R
800 CAPITAL	515.00	317.00	M$G	8/98	AD		832.000	8/98	.	832.0	832.0
801 BONUS	.00	10.00	M$G	6/98	AD		10.000	6/98	.	10.0	10.0

RESERVE PARAMETERS		ITEM	ITEM
205 WELLS	.00	1.00	
210 LOSS	NO		

PROJECT ASSUMPTIONS

BASE DATE : 1/95 TIME FRAMES : 1*41 1*7 37*12 750
P.W. DATE : 6/98 PW %-AGE : 10.0 DISC. FREQUENCY : MO
REPORT DATE : 6/98 PROD QUAL : DEFAULT OWNER QUAL : KMR OTHER QUAL : DEFAULT