

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF KCS MEDALLION
RESOURCES, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

Case No. 11,925

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

James Bruce, being duly sworn upon his oath, deposes and states:


1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant.


3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 18th day of February, 1998, by James Bruce.


Notary Public

My Commission Expires:

3/14/2001

NEW MEXICO
OIL CONSERVATION DIVISION
KCS EXHIBIT 7
CASE NO. 11925

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

January 28, 1998

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Southwest Royalties Inc.
Suite 300
407 North Big Spring
Midland, Texas 79701

UMC Petroleum Corporation
Suite 1400
410 17th Street
Denver, Colorado 80202

Ladies and Gentlemen:

On January 9, 1998, KCS Medallion Resources, Inc. filed an application at the New Mexico Oil Conservation Division seeking administrative approval of an unorthodox gas well location for the PDM Well No. 1, located in the SW of Section 16, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Due to an objection by Southwest Royalties, Inc., this matter has been set for hearing at 8:15 a.m. on February 19, 1998 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an offset operator, you have the right to enter an appearance and participate in the hearing. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for KCS Medallion
Resources, Inc.



ILLEGIBLE

PS Form 3800, April 1995

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Southwest Royalties Inc.	
Street & Number 407 N. Big Spring, #300	
Post Office, State, & ZIP Code Midland, Tx 79701	
Postage	\$.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing Date, & Addressee's Signature	
TOTAL Postage & Fees	2.77
Postmark or Date	JAN 29 1998

Z 432 546 171

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

UMC Petroleum Corp.
611 17th Street Suite 1700
Denver CO 80202

4a. Article Number

Z 432 546 172

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☒ Return Receipt for Merchandise
- ☐ COD

- ☒ Certified
- ☐ Insured

7. Date of Delivery

1/29/98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
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3. Article Addressed to:

Southwest Royalties, Inc.
Suite 300
407 North Big Spring
Midland Tx 79701

4a. Article Number

Z 432 546 171

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☒ Return Receipt for Merchandise
- ☐ COD

- ☒ Certified
- ☐ Insured

7. Date of Delivery

2-2-98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

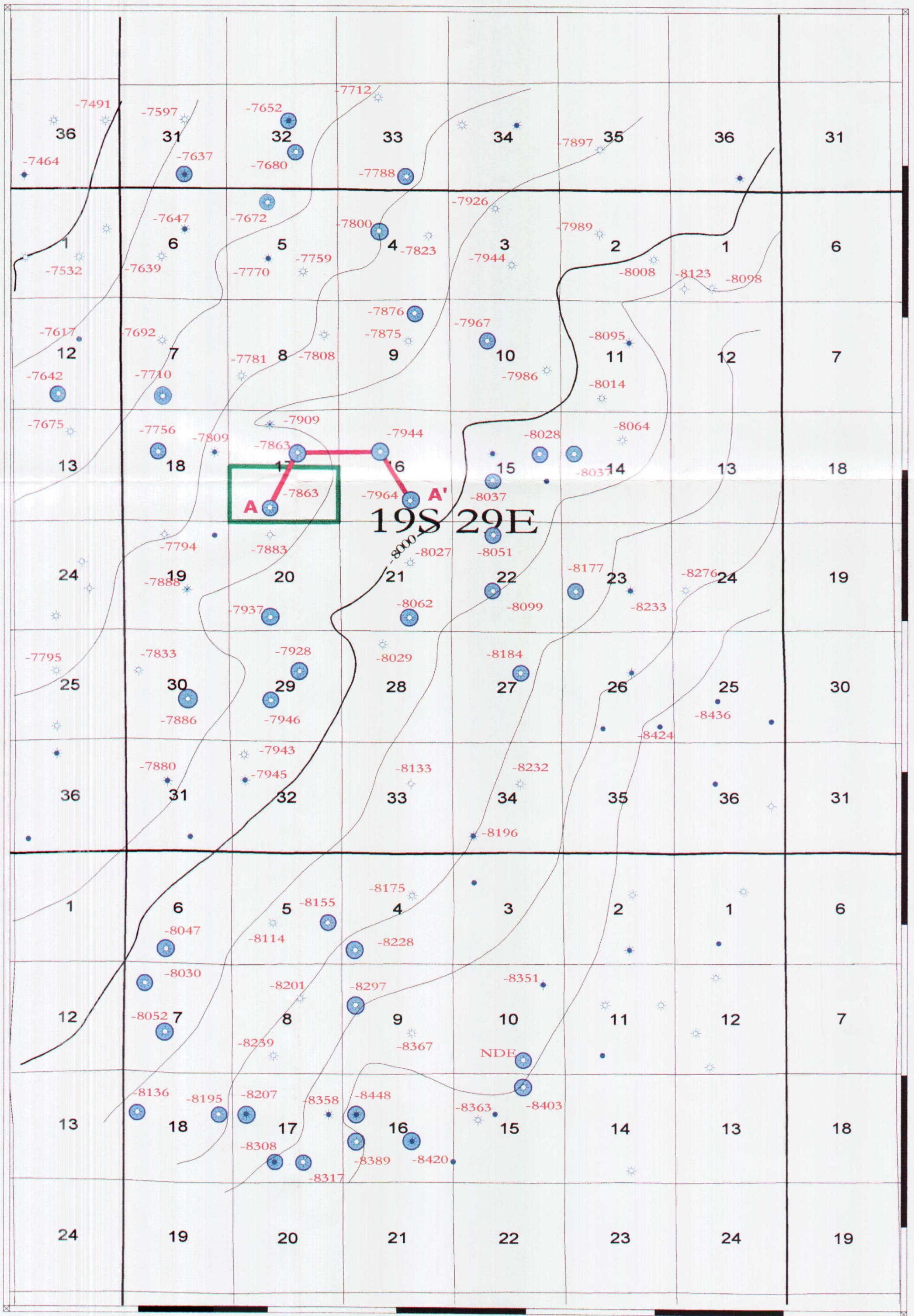
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Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
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TOTAL Postage & Fees	2.77
Postmark or Date	JAN 29 1998

Z 432 546 172

SOUTHWEST ROYALTIES' EXHIBITS IN CASE 11925

1. Structure Map
2. Cross-Section
3. Isopach
4. Well Drainage Radius (without Medallion Well)
5. Well Drainage Radius (with Medallion Well at requested unorthodox location)
6. Well Drainage Radius (with Medallion Well at standard location)
7. Table of Map Circle Volumes
8. Table of Calculations
9. Rate/Time Graph
10. Annual Cash Flow Report
11. Production Graph for Parkway 5 Well (SE/SW Sec. 20)
12. Production Graph for Parkway 6 Well (SW/SE Sec. 21)



-104.100

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

Southwest Royalties, Inc.

CASE NO. 11925

Turkey Track Area
Structure
Top Morrow C

DAVE ALDERKS	C 1: 100'	2/12/98
	Scale 1:48000.	