PROPOSED ADVERTISEMENT

Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the W% of Section 33, Township 19 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including but not limited to the Undesignated Winchester-Morrow Gas Pool, the Winchester-Atoka Gas Pool, and the North Burton Flat-Strawn Gas Pool. Said unit will be dedicated to applicant's Many Sands "33" Well No. 1, to be drilled at an orthodox location 1650 feet from the South line and 660 feet from the West line of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling the well. Said unit is located approximately 11 miles east-southeast of Lakewood, New Mexico.