

KCS Medallion Resources, Inc.

7130 South Lewis Avenue

Suite 700

Tulsa, OK 74136-5489

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FILED

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DRD
Case File

11992

KCS

February 19, 1999

State of New Mexico
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attention: Lori Wrotenbery, Director

RE: Case No. 11992
Order No. R-11004
Section 19-18S-31E
Eddy County, New Mexico

Gentlemen:

Pursuant to Paragraph (14) on Page 5 of the referenced Order, this is to advise that KCS Medallion Resources, Inc. (successor in interest to Penwell Energy, Inc.) and Canadian Kenwood Company have reached a voluntary agreement subsequent to the entry of said Order No. R-11004.

Very truly yours,



D. R. Deffenbaugh
Vice President - Land

DRD:rkw

cc: Canadian Kenwood Company
1910 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

notification to State of NM