

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

29346312

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

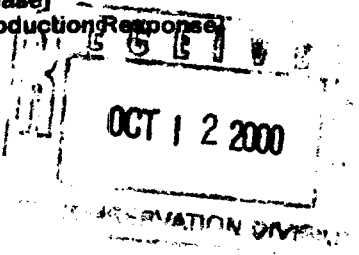
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.



Note: Statement must be completed by an individual with supervisory capacity.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NIM 87504

James Bruce
Signature

Johnney P. Brindley 10/12/00
Title Date

Print or Type Name

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

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

October 12, 2000

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), KCS Medallion Resources, Inc. applies for administrative approval of an unorthodox oil well location for the following well:

Big Kahuna Well No. 1
1553 feet FSL & 1515 feet FEL
NW $\frac{1}{4}$ SE $\frac{1}{4}$ §21, Township 9 South, Range 37 East, NMPM
Lea County, New Mexico

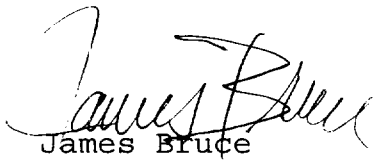
The well will be drilled to a depth of approximately 12,600 feet, to test the Devonian formation (wildcat Devonian). Well spacing is 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The well location is based solely on seismic data. Attached as Exhibit B is a time map on top of the Mississippian Lime. The proposed location is projected to be at the structurally highest point in the well unit, which is necessary to increase the chances of drilling a commercial well in the Devonian formation.

The entire S $\frac{1}{2}$ of Section 21 (surface and minerals) was patented by United States Patent No. 779131, and mineral and leasehold ownership is common throughout the S $\frac{1}{2}$. Thus, the location does not adversely affect anyone, and notice is not necessary.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,


James Bruce

Attorney for KCS Medallion
Resources, Inc.

DISTRICT II
 P.O. Drawer 88, Artesia, NM 88411-0718

DISTRICT III
 1000 Elia Brasos Rd., Aztec, NM 87410

DISTRICT IV
 P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name BIG KAHUNA	Well Number 1
OCRID No.	Operator Name KCS MEDALLION RESOURCES, INC.	Elevation 3979

Surface Location

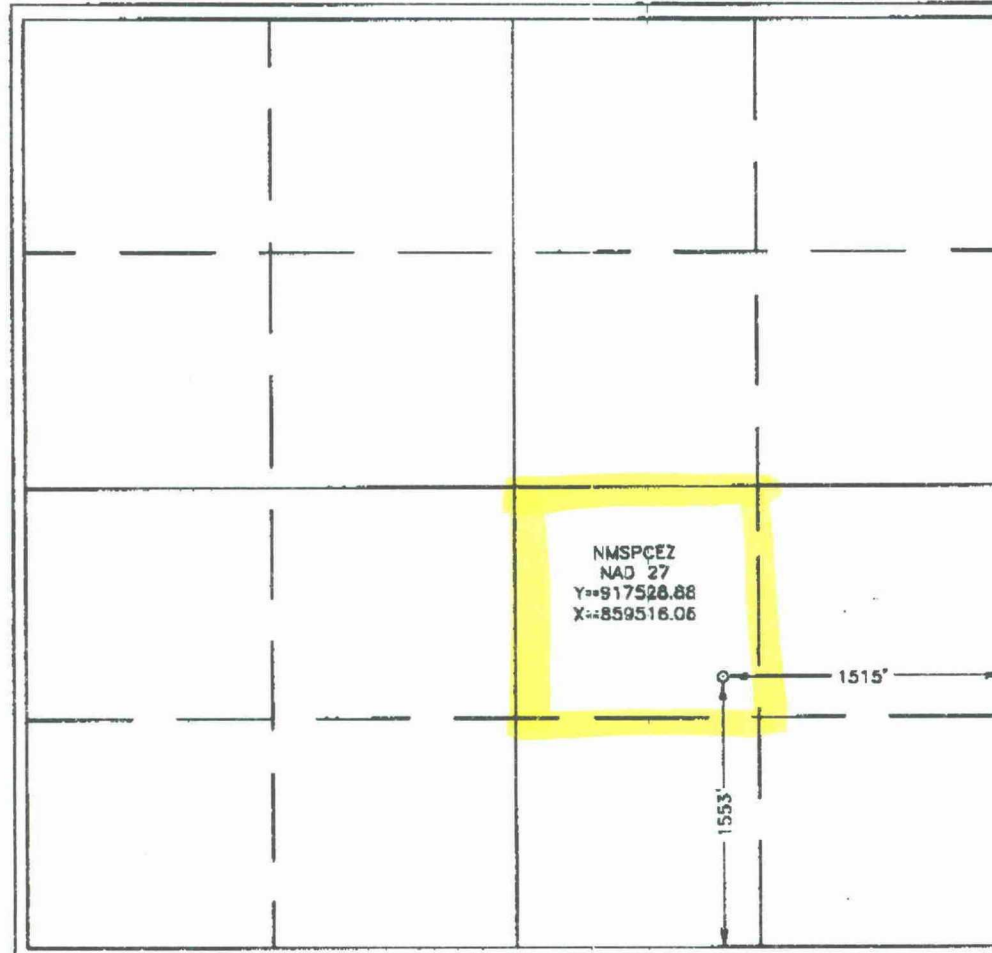
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	21	9 S	37 E		1553	SOUTH	1515	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Tom Williams
 Signature
 Tom Williams
 Printed Name
 Sr. Drilling Engineer
 Title
 10-10-00
 Date

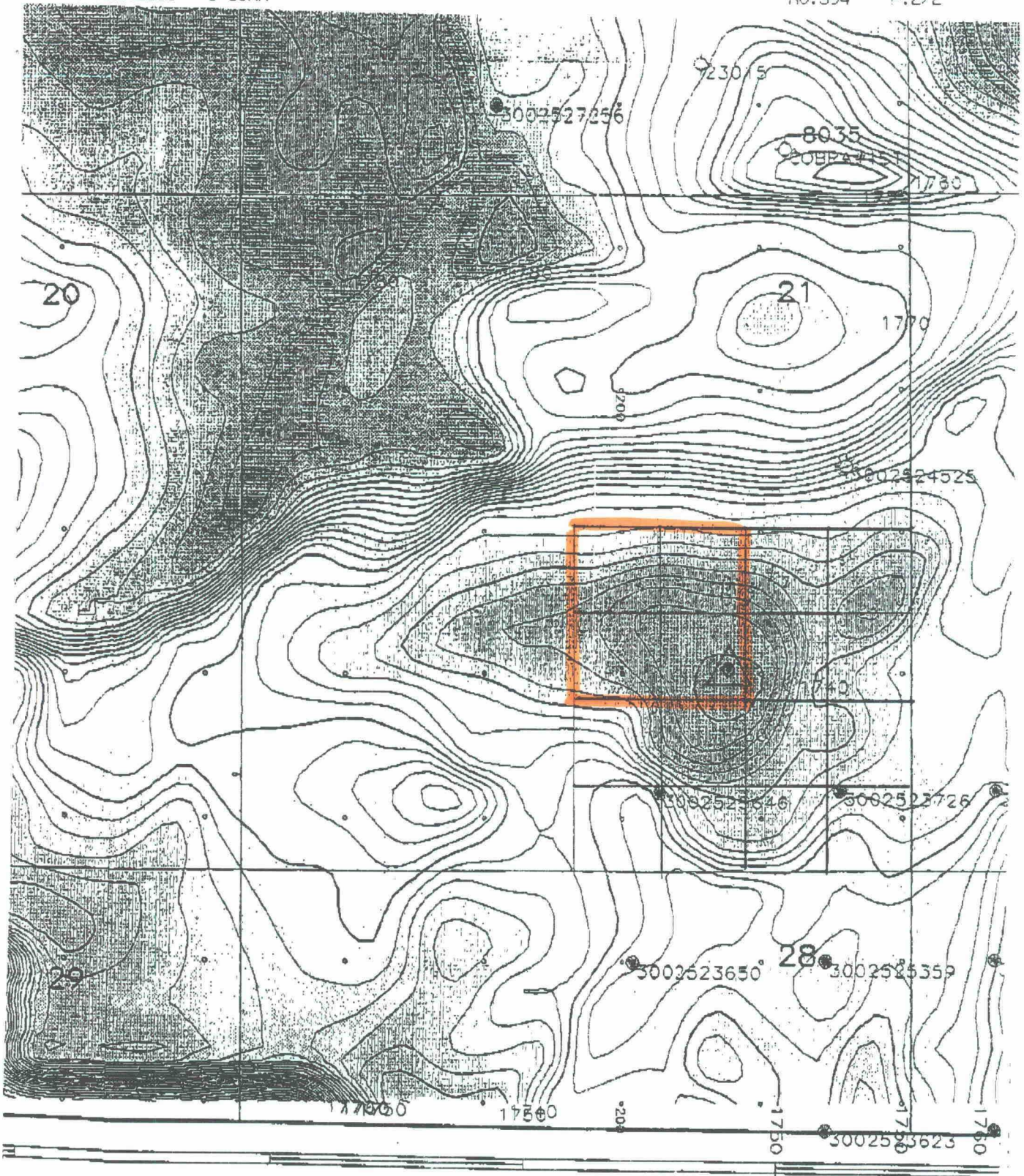
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MARCH 20, 2000

Date Surveyed LMP
 Signature & Seal of Professional Surveyor

 Donald E. Edson 3/21/00
 60-11-0288
 Certificate No. DONALD E. EDSON 3239
 CARL EDSON 12641
 JAMES McDONALD 12168



TIME MAP
 Top/Miss. LM.
 C.I. = 2 MS
 Map Scale
 1" = 1000'

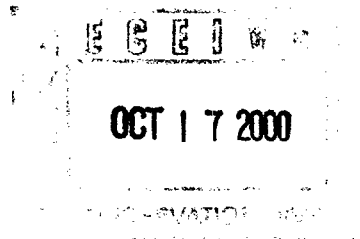
LOCATION
 1553' FSL + 1515' FEL
 BIG KAHUNA PROSPECT
 Section 21, T9S - R37E
 LEA COUNTY, NEW MEXICO

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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HYDE PARK ESTATES
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October 18, 2000

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

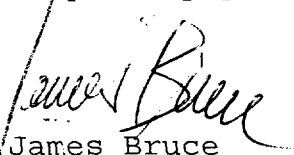
Re: Application of KCS Medallion Resources, Inc. for
administrative approval of an unorthodox oil well
location

Big Kahuna Well No. 1
1553 feet FSL & 1515 feet FEL
NW¼SE¼ §21, Township 9 South, Range 37 East, NMPM
Lea County, New Mexico

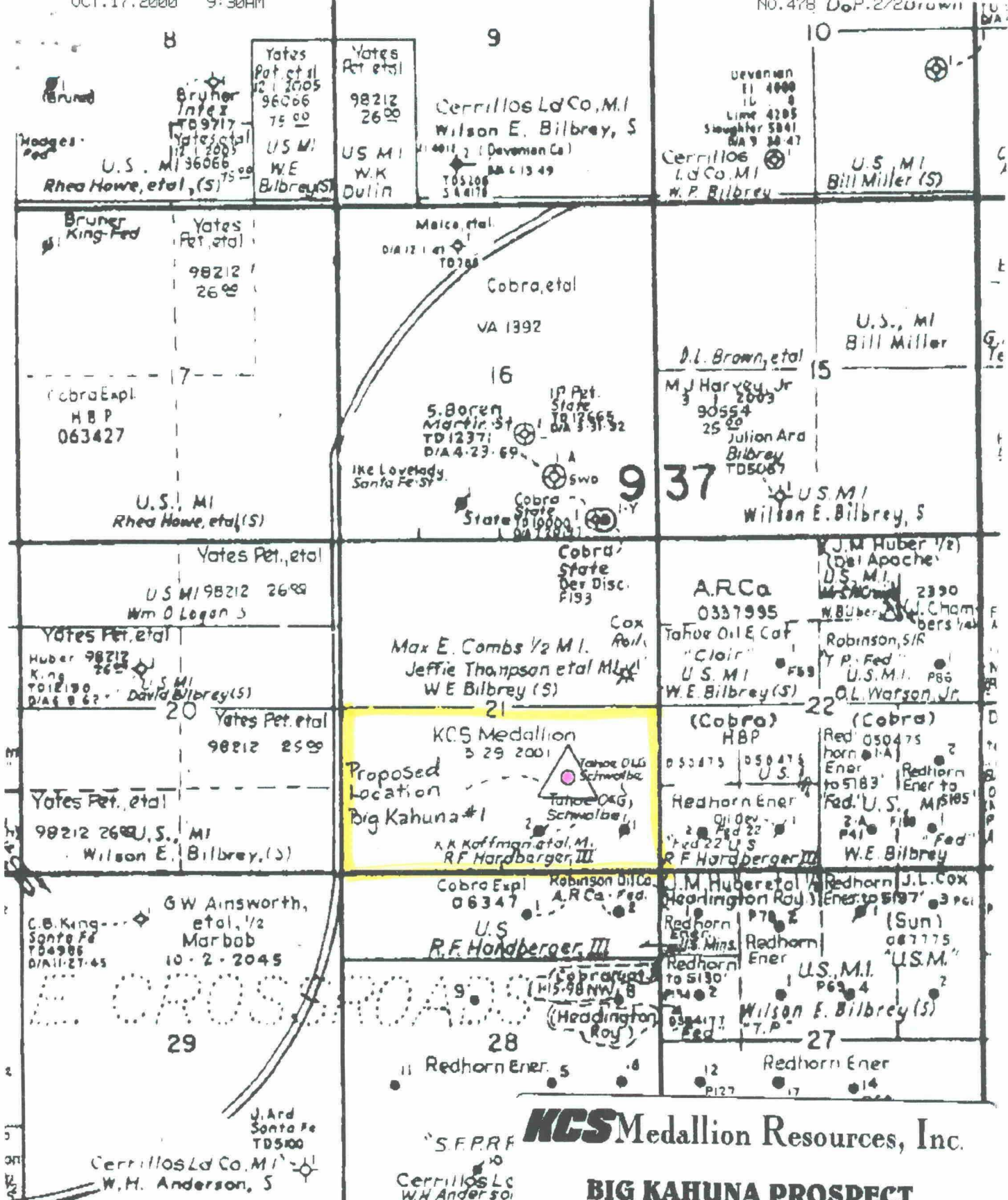
Dear Mr. Stogner:

Enclosed, regarding the above application, is a land plat showing
that the S½ of Section 21 is a single fee tract. There are
undivided interests in the tract, but no one is adversely affected
by the well's location.

Very truly yours,


James Bruce

Attorney for KCS Medallion
Resources, Inc.



KCS Medallion Resources, Inc.

BIG KAHUNA PROSPECT Lea County, New Mexico

LAND PLAT

Scale: 1"=2000'

Date: 10/00