

Catanach

JIC
CPE
176
11657

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax

April 4, 1997

Writer's Direct Number - (918) 491-4105

State of New Mexico
Oil Conservation Division
2040 S. Pochecho Street
Santa Fe, NM 87505-5472

Attention: William J. Lemay, Director

RE: Application of InterCoast Oil and Gas Company for Compulsory Pooling
Case No. 11657
Order No. R-10716
Eddy County, New Mexico

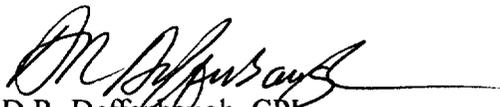
Dear Mr. Lemay:

Pursuant to the terms of the above referenced order, please be advised that KCS Medallion Resources, Inc., formerly named InterCoast Oil and Gas Company, has reached voluntary agreement with all parties pooled by the above referenced Compulsory Pooling Order. All parties, by copy of this letter, are hereby informed that they are released from the terms of the referenced Order.

If there are any questions, call me at my direct number listed above.

Very truly yours,

KCS MEDALLION RESOURCES, INC.


D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

CC: See attached Exhibit "A"

EXHIBIT "A"

Atlantic Richfield
P.O. Box 1610
Midland, TX 79702

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Oklahoma City, OK 73134-2000

Yates Petroleum Corporation
105 South 4th. Street
Artesia, NM 88210

Marathon Oil Company
P.O. Box 552
Midland, TX 79702

Logro Corporation
P.O. Box 261324
Plano, TX 75026-1324

Wendell W. Iverson, Trustee of:
S.J.I. Jr. 1990 Trust, P.I.P. 1990 Trust and
W.W.I. 1990 Trust
P.O. Box 10508
Midland, TX 79702

The Rudman Partnership
W.R. (Trey) Sibley, III
1700 Pacific Avenue, Suite 4700
Dallas, TX 75201-4670

Alvrone Sater
c/o Sater Enterprises
P.O. Box 2509
Evansville, IN 47728-0509