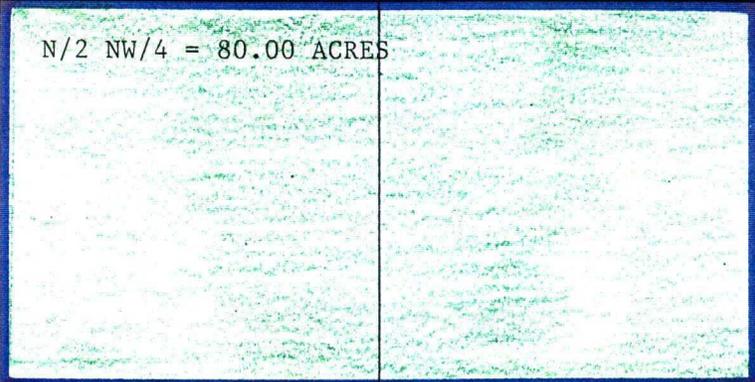
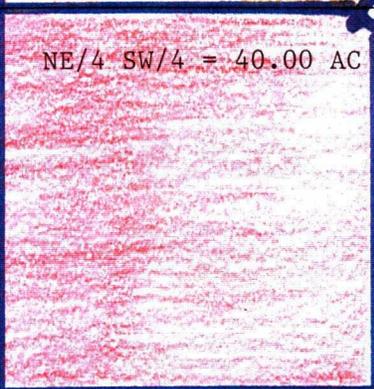
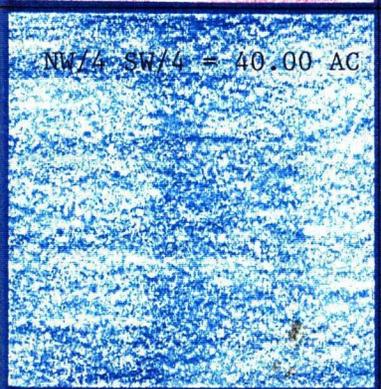
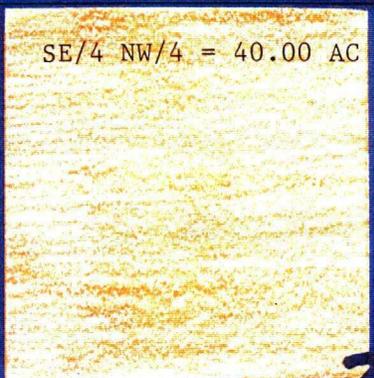
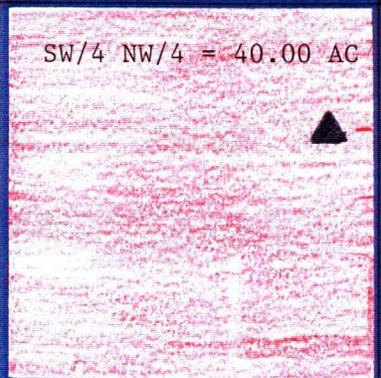


SECTION 29 TOWNSHIP 22-SOUTH RANGE 26-EAST COUNTY EDDY STATE NEW MEXICO



WI OWNERSHIP FOR UNIT

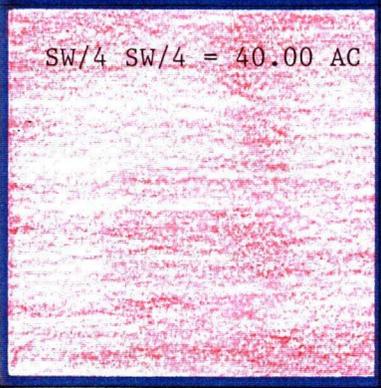
	<u>NMA</u>	<u>%</u>
LOUIS DREYFUS NATURAL GAS CORP	158.26	49.45
INTERCOAST OIL AND GAS CO.	80.00	25.00
PENWELL ENERGY, INC.	40.00	12.50
SANTA FE ENERGY RESOURCES, INC.	27.93	8.73
UNLEASED	13.81	4.32
	320.00	100.00



29

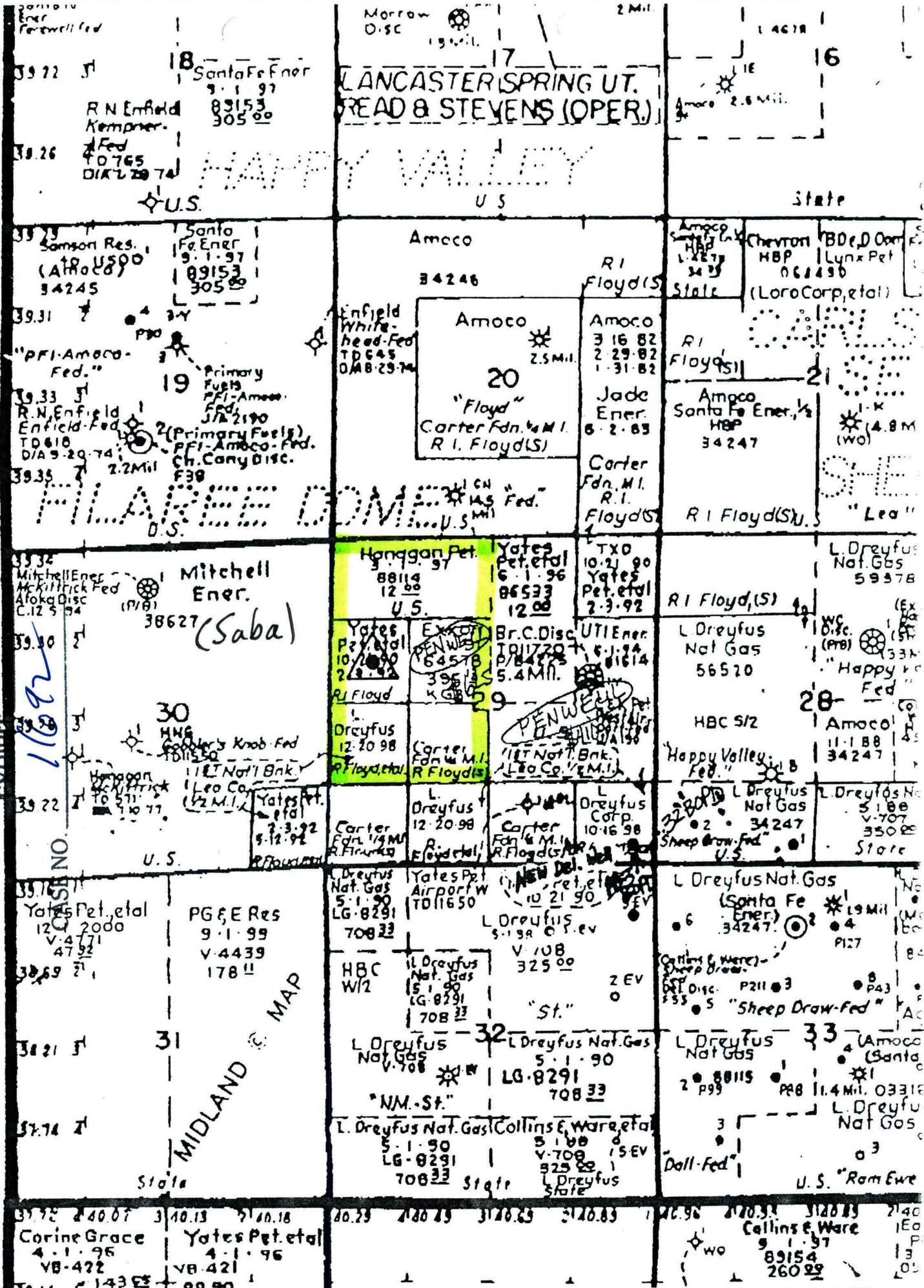
WI OWNERSHIP BY TRACT

	INTERCOAST OIL AND GAS COMPANY 100%
	PENWELL ENERGY, INC. 100%
	LOUIS DREYFUS NATURAL GAS CORP. 75.21%
	SANTA FE ENERGY RESOURCES, INC. 13.27%
	OPEN/UNLEASED 11.51%
	100.00%
	LOUIS DREYFUS NATURAL GAS CORP. 85.00%
	SANTA FE ENERGY RESOURCES, INC. 15.00%
	100.00%



NEW MEXICO
 OIL CONSERVATION DIVISION

EXHIBIT 1
 CASE NO. 11692



NEW MEXICO OIL CONSERVATION DIVISION

MIDLAND MAP



**InterCoast
Oil and Gas**

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74135
918 488-8283 Telephone
918 488-8182 Fax

12/2

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

November 8, 1996

Penwell Energy Inc.
600 N. Marienfeld, Ste. 1100
Midland, TX 79701-4362

Hub Wheeler - Sent OA 12/7

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 3

Gentlemen:

CASE NO. 11692

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

InterCoast proposes that you support the test well by participating with your proportionate share or by electing to farmout to InterCoast under the terms offered below:

1. On or before 120 days following the execution date of a definitive agreement, InterCoast would commence or cause the commencement of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment of your interest from the surface of the earth to the total depth drilled in the test well. Such assignment would be limited to the proration unit established for the test well and any and all equipment used and obtained in connection therewith.
3. You would reserve in such assignment an overriding royalty interest equal to the difference between existing leasehold burdens and 25%, proportionately reduced to the interest being assigned.

November 8, 1996

Page 2

Please advise of your decision in this matter by marking the appropriate space below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

c:\winword\carol\mckitr.doc

Enclosure

_____ Farmout according to the above options.
_____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



InterCoast Oil and Gas Company
 7130 South Lewis Avenue
 Suite 700
 Tulsa, Oklahoma 74136
 918 488-8283 Telephone
 918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Mary Ralph Lowe, Trustee of the
 Erma Lowe Trust for
 Samantha Adelside Yost
 c/o Maralo, Inc.

Jan Spradlin

~~Five Post Oak Park, Suite 1010~~ 5151 San Felipe Ste. 400
 Houston, TX 77027 77056-3607

RE: McKittrick Prospect
 W/2 Section 29-22S-26E
 Eddy County, New Mexico

Dear Ms. Lowe:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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Please advise of your election in this matter by marking the appropriate space

Mary Ralph Lowe, Trustee of the
Erma Lowe Trust for
Samantha Adelside Yost
November 8, 1996
Page 2

below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad
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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



CU
InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Mary Ralph Lowe Trustee of the
Erma Lowe Trust for
Carson R. Yost
c/o Maralo, Inc.
Five Post Oak Park, Suite 1010
Houston, TX 77027

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Lowe:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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Mary Ralph Lowe Trustee of the
Erma Lowe Trust for
Carson R. Yost
November 8, 1996
Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



CU
InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Mary Ralph Lowe, Trustee of the
Erma Lowe Trust for Clayton Lowe Yost
c/o Maralo, Inc.
Five Post Oak Park, Suite 1010
Houston, TX 77027

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Lowe:

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Mary Ralph Lowe, Trustee of the
Erma Lowe Trust for Clayton Lowe Yost
November 8, 1996
Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

SASI Minerals Co.
200 Crecent Court, Ste. 1055
Dallas, TX 75201

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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SASI Minerals Co.

November 8, 1996

Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Dodge Jones Foundation
P.O. Box 176
Abilene, TX 79604

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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Dodge Jones Foundation

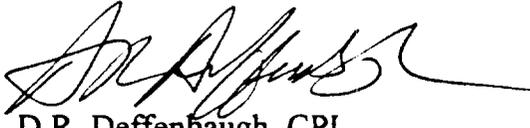
November 8, 1996

Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

The Fasken Foundation
500 West Texas, Suite 1160
Midland, TX 79701

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74135
918-488-8283 Telephone
918-488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

MATT-TEX, L.L.P.
P.O. Box 176
Abilene, TX 79604

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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MATT-TEX, L.L.P.

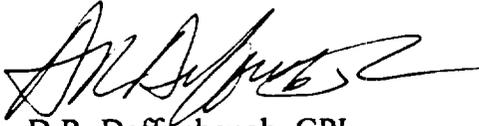
November 8, 1996

Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL

Senior Landman

DRD:cad

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____

Title: _____



**InterCoast
Oil and Gas**

CU
InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Andrews Royalty, Inc.
4849 Greenville Ave., Ste. 1144
Dallas, TX 75206

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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Please advise of your election in this matter by marking the appropriate space

Andrews Royalty, Inc.

November 8, 1996

Page 2

below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Randy Geiselman
3301 Stanolind
Midland, TX 79707

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. Geiselman:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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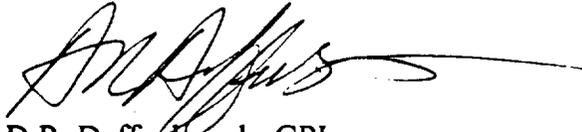
Please advise of your election in this matter by marking the appropriate space

Randy Geiselman
November 8, 1996
Page 2

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Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

c:\winword\carol\mckittls.doc

Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

November 8, 1996

Julia Jones Matthews, Trustee of the
Julia Jones Matthews Living Trust
P.O. Box 176
Abilene, TX 79604

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Matthews:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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Please advise of your election in this matter by marking the appropriate space

Julia Jones Matthews, Trustee of the
Julia Jones Matthews Living Trust
November 8, 1996
Page 2

below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

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Enclosure

- _____ Select Option Number 1 above.
- _____ Select Option Number 2 above.
- _____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



**InterCoast
Oil and Gas**

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 482-8283 Telephone
918 482-8182 Fax

*CU
4/19/1*

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

November 8, 1996

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Pkwy., Suite 600
Oklahoma City, OK 73134

*11/11 Rusty Waters (405) 749-8200
discussed w/ RW - drilling to S
E 1/4 Sec. 32 - for Morrow -
12/7 - Will still not deal w/ test
well in 32*

RE: McKittrick Prospect
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") hereby proposes the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico. Dry hole costs are estimated to be \$457,500.00 with total completed well costs estimated at \$788,250.00 as shown on the enclosed AFE.

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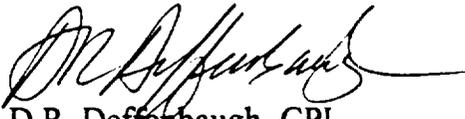
November 8, 1996

Page 2

Please advise of your decision in this matter by marking the appropriate space below and returning one copy to the attention of the undersigned at the letterhead address. If you desire to participate, please also execute and return the enclosed AFE.

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

c:\winword\carol\mckittr.doc

Enclosure

_____ Farmout according to the above options.
_____ Participate (Please sign and return one copy of the attached AFE.)

By: _____
Title: _____



file

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

VIA FAX (214-559-0301) AND FEDERAL EXPRESS

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

January 17, 1997

Republic Royalty Company
3738 Oak Lawn Avenue, Ste. 300
Dallas, TX 75219

Attention: Casey McManemin
Vice President

Re: McKittrick Fed. Com No. 29
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. McManemin:

Pursuant to our conversation of yesterday, KCS Medallion Resources, Inc. ("KMR"), formerly InterCoast Oil and Gas Company, formally proposed the drilling of a 11,600' Morrow test at a location in the NW/4 of Section 29-22S-26E, Eddy County, New Mexico by letter dated November 8, 1996. Republic was not included on this mailing by error.

Subsequently, on December 12, 1996, KMR filed for a compulsory pooling with the New Mexico Oil Conservation Division in Case No. 11692. This case was originally scheduled for hearing on January 9, 1997, and continued to January 23, 1997. (Copy of application attached) As you can see, Republic Royalty Company was not listed on such application.

KMR's current AFE estimates \$697,700 for dry hole costs and \$929,900 for total completed well costs as shown on the enclosed AFE.

KMR now proposes that you and the parties you represent support the proposed test well by participating with your proportionate share in the drilling of the well or by granting KMR a two (2) year oil and gas lease on a standard form for \$250.00 per net acre bonus and a 1/4th royalty.

Republic Royalty Company

January 17, 1997

Page 2

I would appreciate the opportunity to discuss this matter in detail today. I had a standard lease form faxed to your attention earlier this morning.

Very truly yours,

KCS MEDALLION RESOURCES INC.



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

c:\winword\carofmckitrep.doc

Enclosures



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Julia Jones Matthews, Trustee of the
Julia Jones Matthews Living Trust
P.O. Box 176
Abilene, TX 79604

NEW MEXICO
OIL CONSERVATION DIVISION

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

EXHIBIT 4
CASE NO. 11692

Dear Ms. Matthews:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

The location has been moved to 1,715 feet from the north line and 1,160 feet from the west line due to topographic considerations.

The AFE has been revised to \$697,700 dry hole costs and \$929,900 completed costs due to the increased cost of drilling in the general area. A copy of such AFE is enclosed herewith for your records.

If there are any questions, please call the undersigned at the direct number shown above.

Sincerely,

KCS MEDALLION RESOURCES, INC.

D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ftr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Mary Ralph Lowe Trustee of the
Erma Lowe Trust for
Carson R. Yost
c/o Maralo, Inc.
5151 San Felipe, Ste. 400
Houston, TX 77057-3607

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Lowe:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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If there are any questions, please call the undersigned at the direct number shown above.

Sincerely,

KCS MEDALLION RESOURCES, INC.

A handwritten signature in black ink, appearing to read "D. R. Deffenbaugh".

D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Mary Ralph Lowe, Trustee of the
Erma Lowe Trust for Clayton Lowe Yost
c/o Maralo, Inc.
5151 San Felipe, Ste. 400
Houston, TX 77057-3607

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Lowe:

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Sincerely,

KCS MEDALLION RESOURCES, INC.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Andrews Royalty, Inc.
5949 Sherry Lane, Ste. 850
Dallas, TX 75225

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

The location has been moved to 1,715 feet from the north line and 1,160 feet from the west line due to topographic considerations.

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Sincerely,

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

John A. Matthews, Jr.
1821 Industrial Road
San Angelo, TX 76904

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. Matthews:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Randy Geiselman
3301 Stanolind
Midland, TX 79707

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. Geiselman:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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Sincerely,

KCS MEDALLION RESOURCES, INC.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

MATT-TEX, L.L.P.
P.O. Box 176
Abilene, TX 79604

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Dodge Jones Foundation
P.O. Box 176
Abilene, TX 79604

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Gentlemen:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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D. R. Deffenbaugh, CPL
Senior Landman

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mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Santa Fe Energy Resources
Attention: Meg Muhlinhouse
550 W. Texas, Ste. 1330
Midland, TX 79701

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Muhlinhouse:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Penwell Energy Inc.
Attention: Mark Wheeler
600 N. Marienfeld, Ste. 1100
Midland, TX 79701-4362

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. Wheeler:

Please be advised that KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, has made modifications to the location and the estimated costs of drilling the above referenced well.

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure



InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Louis Dreyfus Natural Gas Corp.
Attention: Rusty Waters
14000 Quail Springs Pkwy., Suite 600
Oklahoma City, OK 73134

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Mr. Waters:

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D. R. Deffenbaugh, CPL
Senior Landman

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InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

January 13, 1997

Writer's Direct No. (918) 491-4105

Mary Ralph Lowe, Trustee of the
Erma Lowe Trust for
Samantha Adelside Yost
c/o Maralo, Inc.
5151 San Felipe, Ste. 400
Houston, TX 77057-3607

Re: McKittrick Prospect
McKittrick Fed. Com 29-22 Well
W/2 Section 29-22S-26E
Eddy County, New Mexico

Dear Ms. Lowe:

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D. R. Deffenbaugh, CPL
Senior Landman

DRD:cad
mckrevcp.ltr

Enclosure

Louis Dreyfus Natural Gas Corp.
Attn: Rusty Waters
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134

Penwell Energy, Inc.
Attn: Mark Wheeler
600 North Marienfeld
Suite 1100
Midland, TX 79701-4362

Santa Fe Energy Resources, Inc.
Attn: Meg Muhlinghouse
550 West Texas
Suite 1330
Midland, TX 79701

SASI Minerals Co.
200 Crescent Court
Suite 1055
Dallas, TX 75201

Republic Royalty Co

Dodge Jones Foundation
Post Office Box 176
Abilene, TX 79604

5592 Un

The Fasken Foundation
500 West Texas
Suite 1160
Midland, TX 79701

Lead

MATT-TEX, L.L.P.
Post Office Box 176
Abilene, TX 79604

.11 92 Un

Randy Geiselman
3301 Stanolind
Midland, TX 79707

Lead

John A. Matthews, Jr.
1821 Industrial Road
San Angelo, TX 76904

.06 92 Un

Andrews Royalty, Inc.
5949 Sherry Lane
Suite 850
Dallas, TX 75225

.03 92 Un

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 5

CASE NO. 11692

Mary Ralph Lowe,
Trustee of the Erma Lowe
Trust for Clayton Lowe Yost
5151 San Felipe
Suite 400
Houston, TX 77056

Mary Ralph Lowe,
Trustee of the Erma Lowe
Trust for Carson R. Yost
5151 San Felipe
Suite 400
Houston, TX 77056

Mary Ralph Lowe,
Trustee of the Erma Lowe Trust for
Samantha Adelside Yost
5151 San Felipe
Suite 400
Houston, TX 77056

Julia Jones Matthews,
Trustee of the Julia Jones
Matthews Living Trust
Post Office Box 176
Abilene, TX 79604

Local

*0890
llm*

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF INTERCOAST OIL AND GAS COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 11,692

AFFIDAVIT REGARDING NOTICE

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

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

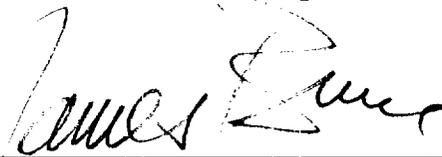
1. I am over the age of 18, and have personal knowledge of the matters stated herein.

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.

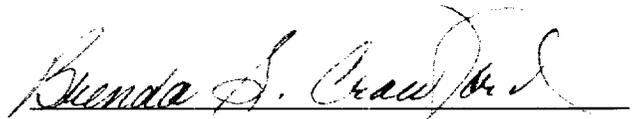
4. Notice of the application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Exhibit A.

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



James Bruce

SUBSCRIBED AND SWORN TO before me this 22nd day of January, 1997, by James Bruce.



My Commission Expires:

10-29-99

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 7

CASE NO. 11692

HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623

LEWIS C COX JR (1924-1993)
CLARENCE E. HINKLE (1909-1965)

OF COUNSEL
O M CALHOUN* JOE W WOOD
RICHARD L CAZZELL* RAY W RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D STEPHENS*
RONALD C SCHULTZ JR.*
JOSE CANO*

THOMAS E HOOD*
REBECCA NICHOLS JOHNSON
STANLEY K KOTOVSKY, JR
ELLEN S CASEY
MARGARET CARTER LUDEWIG
BARRY PAISNER
WYATT L BROOKS*
DAVID M RUSSELL*
ANDREW J CLOUTIER
STEPHANIE LANDRY
FRITZ E MOELLING*
DAKE FISHER
JULIE P NEERKEN
WILLIAM B SLATTERY
CHRISTOPHER M MOODY
JOHN D PHILLIPS
EARL R NORRIS
JAMES A GILLESPIE
MARGARET R MCNETT

GARY W LARSON
LISA K SMITH*
NORMAN D EWART
DARREN T GROCE*
MOLLY MCINTOSH
MARCIA B LINCOLN
SCOTT A SHUART*
PAUL G NASON
AMY C WRIGHT*
BRADLEY G BISHOP*
KAROLYN KING NELSON
ELLEN T LOUDERBOUGH
JAMES H WOOD*
NANCY L STRATTON
TIMOTHY R BROWN
JAMES C MARTIN
KATHLEEN M HALL

*NOT LICENSED IN NEW MEXICO

December 20, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Dear Sirs:

Enclosed is a copy of an amended application for compulsory pooling and an unorthodox well location filed at the New Mexico Oil Conservation Division by InterCoast Oil and Gas Company regarding the W $\frac{1}{2}$ of Section 29, Township 22 South, Range 26 East, in Eddy County, New Mexico. This matter will be heard at 8:15 a.m. on Thursday, January 9, 1997 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico. As an interest owner in the well unit or as an offset operator, you have the right to appear at the hearing and participate in the case. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.


James Bruce

Attorneys for InterCoast Oil
and Gas Company



POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

EXHIBIT A

1. Interest Owners:

Louis Dreyfus Natural Gas Corp.
Attn: Rusty Waters
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134

Penwell Energy, Inc.
Attn: Mark Wheeler
600 North Marienfeld
Suite 1100
Midland, TX 79701-4362

Santa Fe Energy Resources, Inc.
Attn: Meg Muhlinghause
550 West Texas
Suite 1330
Midland, TX 79701

SASI Minerals Co.
200 Crescent Court
Suite 1055
Dallas, TX 75201

Dodge Jones Foundation
Post Office Box 176
Abilene, TX 79604

The Fasken Foundation
500 West Texas
Suite 1160
Midland, TX 79701

MATT-TEX, L.L.P.
Post Office Box 176
Abilene, TX 79604

Randy Geiselman
3301 Stanolind
Midland, TX 79707

John A. Matthews, Jr.
1821 Industrial Road
San Angelo, TX 76904

Andrews Royalty, Inc.
5949 Sherry Lane
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Mary Ralph Lowe,
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Trust for Clayton Lowe Yost
5151 San Felipe
Suite 400
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Mary Ralph Lowe,
Trustee of the Erma Lowe
Trust for Carson R. Yost
5151 San Felipe
Suite 400
Houston, TX 77056

Mary Ralph Lowe,
Trustee of the Erma Lowe Trust for
Samantha Adelside Yost
5151 San Felipe
Suite 400
Houston, TX 77056

Julia Jones Matthews,
Trustee of the Julia Jones
Matthews Living Trust
Post Office Box 176
Abilene, TX 79604

2. Offset Operators:

Saba Energy of Texas, Inc.
Suite 202
1603 Southeast 19th Street
Edmond, OK 73103

Penroc Oil Corp.
Post Office Box 5970
Hobbs, NM 88241

Amoco Production Company
Post Office Box 3092
Houston, TX 77253

Is your RETURN ADDRESS completed on the reverse side?

- 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.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Penroc Oil Corp.
Post Office Box 5970
Hobbs, NM 88241

4a. Article Number
P502240029

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
12-26-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- 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.

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1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mary Ralph Lowe,
Trustee of the Erma Lowe
Trust for Carson R. Yost
5151 San Felipe, Suite 400
Houston, TX 77056

4a. Article Number
P502240025

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
12-24-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- 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.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mary Ralph Lowe,
Trustee of the Erma Lowe Trust for
Samantha Adelside Yost
5151 San Felipe, Suite 400
Houston, TX 77056

4a. Article Number
P502240026

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
12-24-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

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SENDER:

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- 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.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Julia Jones Matthews,
Trustee of the Julia Jones
Matthews Living Trust
Post Office Box 176
Abilene, TX 79604

4a. Article Number

P502 240 027

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

DEC 23 1996

5. Received By: (Print Name)

MEL HOLT

6. Signature: (Addressee or Agent)

X

Mel Holt

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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.
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- 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.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Santa Fe Energy Resources, Inc.
550 West Texas
Suite 1330
Midland, TX 79701

4a. Article Number

P502 240 016

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

12-26-96

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

Paul Vohr

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- 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.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mary Ralph Lowe,
Trustee of the Erma Lowe
Trust for Clayton Lowe Yost
5151 San Felipe, Suite 400
Houston, TX 77056

4a. Article Number

P502 240 024

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

12-24-96

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

Pat Drebel

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Saba Energy of Texas, Inc.
Suite 202
1603 Southeast 19th Street
Edmond, OK 73103

4a. Article Number
P502 240 028

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
122796

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
Tracy Mills

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MATT-TEX, L.L.P.
Post Office Box 176
Abilene, TX 79604

4a. Article Number
P502 240 020

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
DEC 23 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested)

6. Signature
X

PS Form

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

- 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.
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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Amcco Production Company
Post Office Box 3092
Houston, TX 77253

4a. Article Number
P502 240 030

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
DEC 23 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
Chuck Martin

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Randy Geiselman
3301 Stanolind
Midland, TX 79707

4a. Article Number
P 502 240 021

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
12/26/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Randy Geiselman*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Dodge Jones Foundation
Post Office Box 176
Arlene, TX 79604

4a. Article Number
P 502 240 018

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
DEC 26 1996

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Met Holt*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

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.
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- 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.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

The Fasken Foundation
500 West Texas
Suite 1160
Midland, TX 79701

4a. Article Number
P 502 240 019

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
12-26-96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

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Is your RETURN ADDRESS completed on the reverse side?

- 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.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

3. Article Addressed to: Penwell Energy, Inc. Attn: Mark Wheeler 600 North Marienfeld Suite 1100 Midland, TX 79701-4362	4a. Article Number P502240303
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name) <i>Cathy Livingston</i>	7. Date of Delivery 12-26-86
6. Signature: (Addressee or Agent) X Cathy Livingston	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

- 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.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

3. Article Addressed to: Louis Dreyfus Natural Gas Corp. Attn: Rusty Waters 14000 Quail Springs Parkway Suite 600 Oklahoma City, OK 73134	4a. Article Number P502240302
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name)	7. Date of Delivery 12-24-96
6. Signature: (Addressee or Agent) X [Signature]	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

- 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.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

3. Article Addressed to: Andrews Royalty, Inc. 5949 Sherry Lane Suite 850 Dallas, TX 75225	4a. Article Number P502240023
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
5. Received By: (Print Name)	7. Date of Delivery 12-30-88
6. Signature: (Addressee or Agent) X [Signature]	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

John A. Matthews, Jr.
1821 Industrial Road
Sar. Angelo, TX 76904

4a. Article Number

P502 240 017

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

12/23/96

5. Received By: (Print Name)

Suzanne Cowley

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Suzanne Cowley

PS Form 3811, December 1994

Domestic Return Receipt

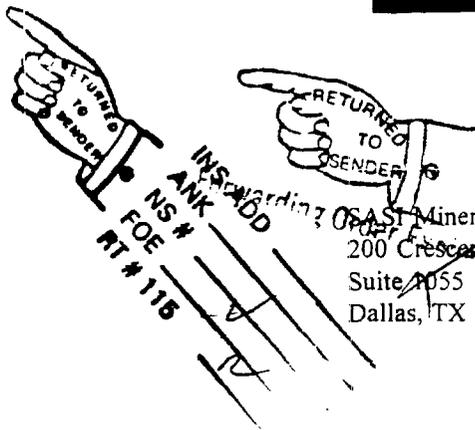
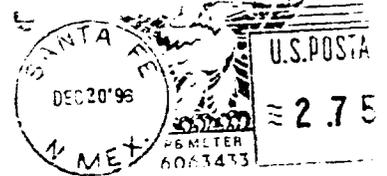
Thank you for using Return Receipt Service.

CERTIFIED

HINKIE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.
ATTORNEYS AT LAW
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068

P 502 240 017

MAIL



DEC 30 1996

INSURANCE ORDER
NSNK
FOE #
RT # 115
EAST Minerals Co.
200 Crescent Court
Suite 1055
Dallas, TX 75201

RECEIVED

DEC 30 1996

Hinkie, Cox, Eaton, Coffield & Hensley
Santa Fe, New Mexico 87501

POSTNET CODE / ZIP CODE



**InterCoast
Oil and Gas**
VIA FAX ONLY (214) 559-0301

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

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

January 17, 1997

Republic Royalty Company
3738 Oak Lawn Avenue, Ste. 300
Dallas, TX 75219

Attention: Casey McManemin
Vice President

Re: McKittrick 29 Well No. 1
W/2 Section 29-22S-26E
Eddy County, New Mexico

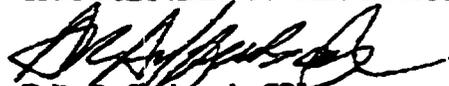
Dear Mr. McManemin:

KCS Medallion Resources, Inc., formerly InterCoast Oil and Gas Company, respectfully requests that Republic Royalty Company acknowledge receipt of a copy of the application and the amended application for compulsory pooling and an unorthodox well location, filed at the New Mexico Oil Conservation Division by InterCoast Oil and Gas Company, regarding the McKittrick 29 Well No. 1 in the W/2 of Section 29, Township 22 South, Range 26 East, Eddy County, New Mexico, and further requests that Republic Royalty Company waive any notice that may be required to be given to it of the hearing scheduled before the New Mexico Oil Conservation Division in Case No. 11692.

If you agree to grant the above requests, please so evidence by signing in the space provided below and returning one copy of this letter to the attention of the undersigned by fax at (918) 488-8182.

Very truly yours,

KCS MEDALLION RESOURCES INC.


D.R. Deffenbaugh, CPL
Senior Landman

AGREE TO ABOVE REQUESTS REGARDING NEW MEXICO OIL
CONSERVATION DIVISION CASE NO. 11692 THIS 19 DAY OF JANUARY, 1997.

REPUBLIC ROYALTY COMPANY


Casey McManemin, Vice President

An InterCoast Energy Company

REPUBLIC ROYALTY COMPANY

3733 OAK LAWN AVENUE, SUITE 300

TELEPHONE: (214) 559-0300

DALLAS, TEXAS 75219

FACSIMILE: (214) 559-0301

FACSIMILE TRANSMITTAL LETTER

DATE: 1/19/97

TO: D.P. DEFFENBAUGH

COMPANY: INTERCOAST

ADDRESS: TULSA

FACSIMILE: 918.488.8182

FROM: CASBY WELLS

NOTE: _____

NUMBER OF PAGES INCLUDING THIS PAGE: 2

THANK YOU!

R-26-E

19

20

21

MOR
64 MM
INA

MOR
3.1 BCF
1810 BO
400 MCFPD

526 MM
INA

MOR
1.9 BCF
668 BO
130 MCFPD

MOR
2.2 BCF
RECOMPL.
ATK

30

29

28

PROPOSED
LOCATION

STR
736 MM
INA

MOR
2.8 BCF
3634 BO
300 MCFPD

31

32

33

STR
186 MM
20 MCFPD

MOR
58 MM
100 MCFPD

6

5

4

STR
346 MM

MOR
55 MM
INA

7

8

9

NEW MEXICO
OIL CONSERVATION DIVISION

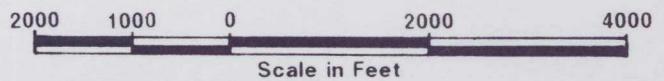
EXHIBIT 8

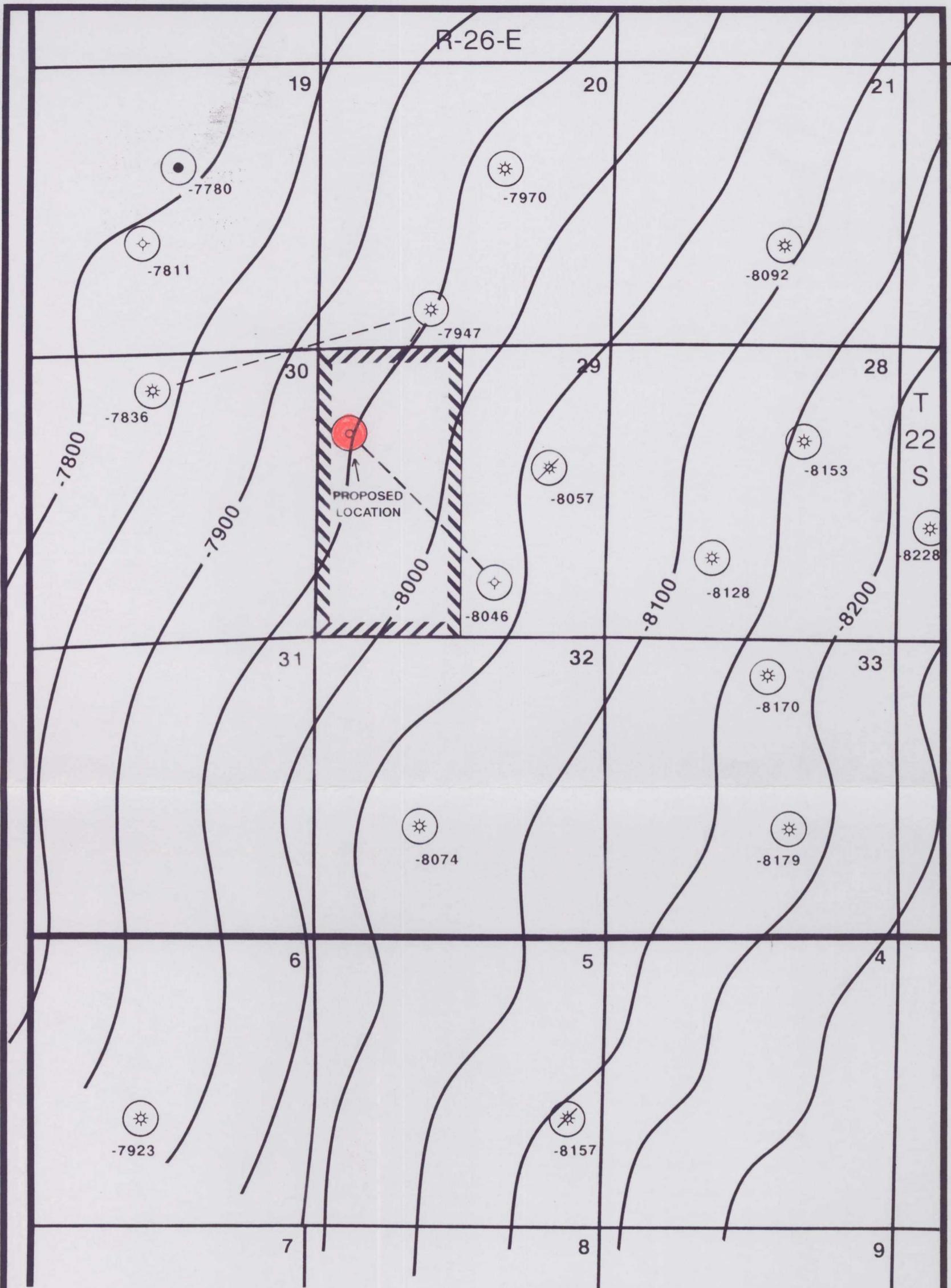
CASE NO. 11692

INTERCOAST OIL & GAS

McKITTRICK "29" #1 PROSPECT
Eddy County, New Mexico

PRODUCTION MAP





NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 9

CASE NO. 11692

INTERCOAST OIL & GAS

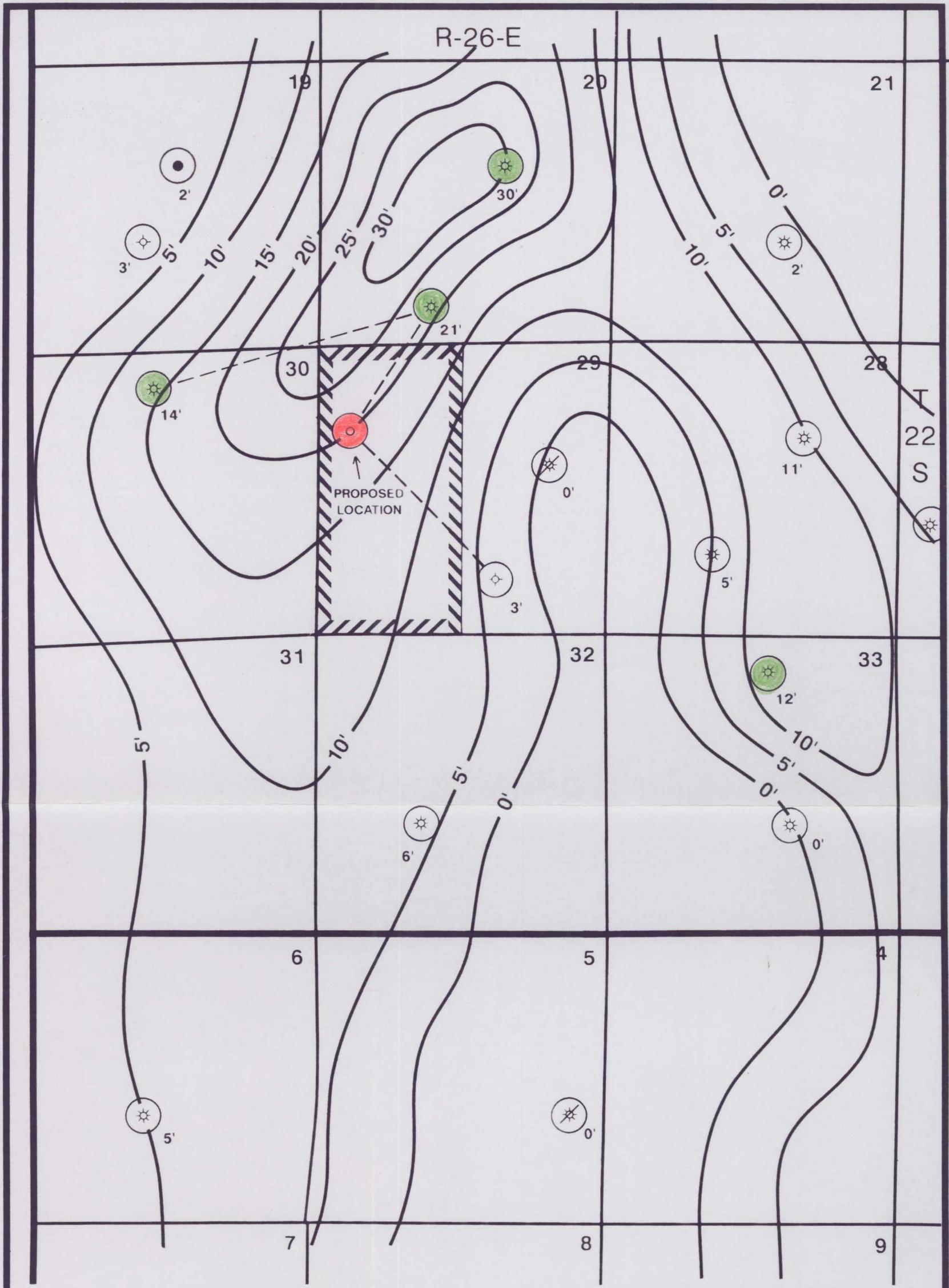
McKITTRICK "29" #1 PROSPECT
Eddy County, New Mexico

LOWER MORROW STRUCTURE

CONTOUR INTERVAL: 50 FT.



Scale in Feet
GEOLOGICAL BY: SHATZER



NEW MEXICO
OIL CONSERVATION DIVISION

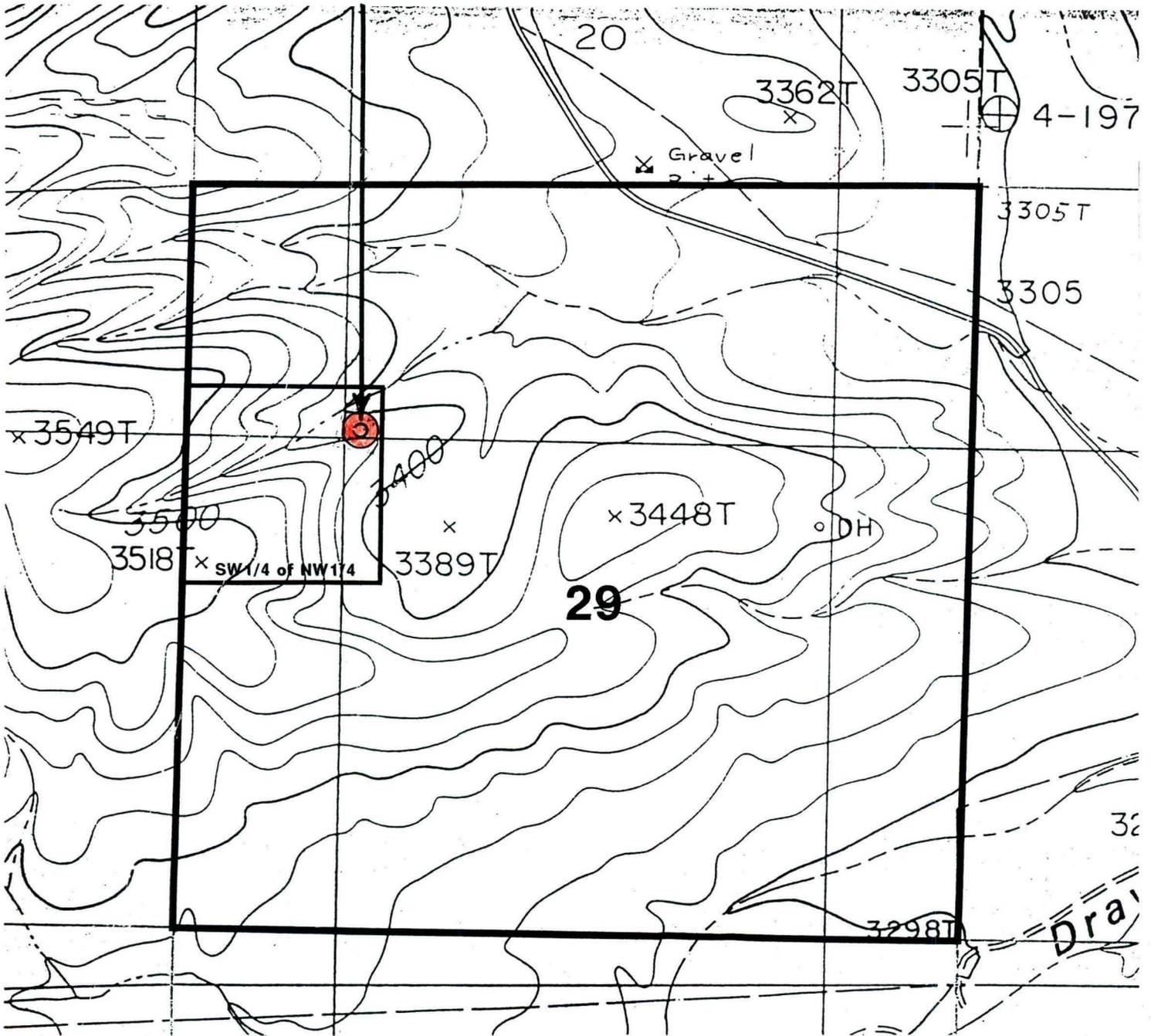
EXHIBIT 18

CASE NO. 11692

INTERCOAST OIL & GAS	
McKITTRICK "29" #1 PROSPECT Eddy County, New Mexico	
MIDDLE MORROW GREEN SAND NET POROSITY \geq 8% ISOPACH	
CONTOUR INTERVAL: 5 FT.	
Scale in Feet	
GEOL. BY: SHATZER	

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

PROPOSED LOCATION #1



NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 12

CASE NO. 11692



INTERCOAST OIL & GAS

McKITTRICK "29" #1 PROSPECT
Eddy County, New Mexico

SURFACE TOPOGRAPHIC MAP

CONTOUR INTERVAL: 20 FT.

1000 500 0 1000 2000

Scale in Feet