

Clip #4

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8282 Telephone • 918 488-8182 Fax

FAX (915-688-5757)

April 4, 1997

Attn: Lee Scarborough

Arco Permian
600 North Marzfeld
P.O. Box 1610
Midland, TX 79702-1610

NEW MEXICO
OIL CONSERVATION DIVISION

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

KCS EXHIBIT 7
CASE NO. 11749

Gentlemen:

Enclosed is a copy of KCS Medallion Resources, Inc. application to the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for a Morrow Test to be drilled at a location 660' FSL and 1,330' FEL of the referenced Section 14 which has been previously provided.

You are an offset leasehold owner, and as such please advise if you have any objection to this application by calling the undersigned at (918) 491-4105.

If you have no objection to this application, please so indicate by signing in the space provided below and returning one executed copy of this letter to my attention by fax at (918) 488-8182.

Sincerely,

KCS MEDALLION RESOURCES, INC.

D. R. Deffenbaugh
D. R. Deffenbaugh, CPL
Senior Landman

WE HAVE NO OBJECTION TO KCS MEDALLION RESOURCES, INC'S INTENT TO DRILL THE PROPOSED MORROW TEST AT 660' FSL & 1,330' FEL OF SECTION 14-17S-28E, EDDY COUNTY, NEW MEXICO.

ARCO, PERMIAN

By: *L.M.S.*
Title: Landman

KCS Medallion Resources, Inc.

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

FAX (303-863-1558)

April 4, 1997

Bonneville Fuels
1600 Broadway, #1110
Denver, CO 80202

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Gentlemen:

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BONNEVILLE FUELS

By: 
Title: VP Operations

KCS Medallion Resources, Inc.

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

FAX (505-746-9539)

April 4, 1997

Chase Oil Corporation
P.O. Box 276
Artesia, NM 88211-0276

Post-It™ brand fax transmittal memo 7671		# of pages	1
To	<i>Rick Deffenbaugh</i>	From	<i>Jim Brown</i>
Co.	<i>KCS Medallion</i>	Co.	<i>Chase Oil</i>
Dept.		Phone #	<i>(505) 746-9853</i>
Fax #	<i>(918) 488-8182</i>	Fax #	<i>(505) 746-2362</i>

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

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CHASE OIL CORPORATION

By: 
* Title: James D. Brown, Jr.
Attorney-in-Fact

*Subject to your agreement to provide Logs.

KCS Medallion Resources, Inc.

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

FAX (505-746-2523)

April 4, 1997

Marbob Energy
P.O. Drawer 227
Artesia, NM 88210

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

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MARBOB ENERGY

By: Ray Miller
Title: Attorney-in-fact

11/13/14 →

RECEIVED
APR 14 1997
KCS MEDALLION RESOURCES, INC.

KCS Medallion Resources, Inc.

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

file clip #4
xc. NMOCD Hearing

April 4, 1997

James E. Guy
P.O. Box 100
Artesia, NM 88210

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Dear Mr. Guy:

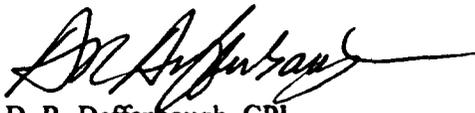
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JAMES E. GUY

By: 
Title: Owner

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 486-8283 Telephone • 918 488-8182 Fax

FAX (505-622-4221)

April 15, 1997

Harvey E. Yates Co.
P.O. Box 1933
Roswell, NM 88201Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of KCS Medallion Resources, Inc. application to the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for a Morrow Test to be drilled at a location 660' FSL and 1,330' FEL of the referenced Section 14 which has been previously provided.

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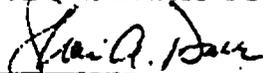
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Senior Landman

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HARVEY E. YATES CO.

By: 
Title: LAND MANAGER

KCS Medallion Resources, Inc.

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

FAX (505-623-4947)

April 4, 1997

Yates Energy Corp.
~~999 S. University~~ P.O. Box 2323
Roswell, NM 88202

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of KCS Medallion Resources, Inc. application to the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for a Morrow Test to be drilled at a location 660' FSL and 1,330' FEL of the referenced Section 14 which has been previously provided.

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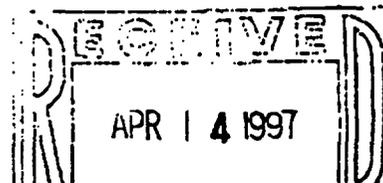


D. R. Deffenbaugh, CPL
Senior Landman

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YATES ENERGY CORP.

By: 
Title: Landman

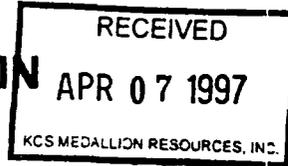


RL

MARTIN YATES, III
1912 - 1965
FRANK W. YATES
1936 - 1966



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 4, 1997

KCS Medallion Resources, Inc.
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136-5489

Attention: Mr. D.R. Deffenbaugh

Re: Application of KCS Medallion Resources, Inc. for
Compulsory Pooling and an
Unorthodox Well Location
Eddy County, New Mexico

Dear Mr. Deffenbaugh:

By letter dated March 13, 1997, Mr. Paul R. Owen, Attorney of the Campbell, Carr, Berge & Sheridan Firm, advised us of a filing of application with New Mexico Oil Conservation Division for force pooling and an unorthodox location for the drilling of the KCS Medallion Resources, Inc. Aid State No. 14-1 well drilled at a location 660 feet from the South line and 1330 feet from the East line, E/2 Section 14, T17S-R28E, Eddy County, New Mexico.

This is to advise you that Yates Petroleum Corporation waives any objection to your drilling of the unorthodox location subject to your granting like waiver should Yates desire to drill a similar test in the area. Please let me know if you require anything further.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

RGP/mw

MARTIN YATES, III
1912 - 1996
FRANK W. YATES
1924 - 1996



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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SECRETARY
DENNIS G. KINSEY
TREASURER

April 15, 1997

KCS Medallion Resources, Inc.
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136-5489

Attention: Mr. D. R. Deffenbaugh

Re: Application of KCS Medallion Resources, Inc. for
Compulsory Pooling and an
Unorthodox Well Location
Eddy County, New Mexico

Dear Mr. Deffenbaugh:

In reference to my letter dated April 4, 1997, this is to advise you that John A. Yates, S.P. Yates, Sharbro Oil Ltd. Co. and the Estate of Lillie M. Yates do also waive any objection to your drilling of the unorthodox location subject to your granting like waivers should they desire to drill a similar test in the area.

Should you have any questions concerning the above, please don't hesitate in contacting me.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Randy G. Patterson", written over a horizontal line.

Randy G. Patterson
Land Manager

RGP/mw

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74132-6488 • 918 488-8183 Telephone • 918 488-8182 Fax

April 4, 1997

Dianne Chase Crouch
P.O. Box 693
Artesia, NM 88211-0693

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
2 1/4 of Section 14-178-28E
Eddy County, New Mexico

Dear Ms. Crouch:

Enclosed is a copy of KCS Medallion Resources, Inc. application to the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for a Morrow Test to be drilled at a location 660' FSL and 1,330' FEL of the referenced Section 14 which has been previously provided.

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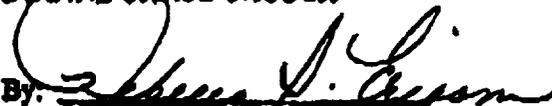
Sincerely,

KCS MEDALLION RESOURCES, INC.


D. R. Duffinbaugh, CPL
Senior Landman

WE HAVE NO OBJECTION TO KCS MEDALLION RESOURCES, INC'S INTENT TO DRILL THE PROPOSED MORROW TEST AT 660' FSL & 1,330' FEL OF SECTION 14-178-28E, EDDY COUNTY, NEW MEXICO.

DIANNE CHASE CROUCH

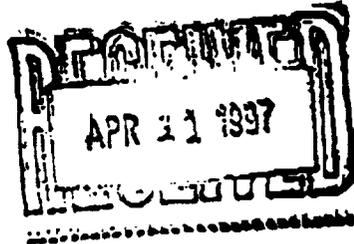
By: 
Title: Rebecca S. Ericson
Attorney-in-Fact

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

Robert C. Chase
P.O. Box 960
Artesia, NM 88211-0960



Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Dear Mr. Chase:

Enclosed is a copy of KCS Medallion Resources, Inc. application to the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location for a Morrow Test to be drilled at a location 660' FSL and 1,330' FEL of the referenced Section 14 which has been previously provided.

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ROBERT C. CHASE

By:
Title: Robert C. Chase

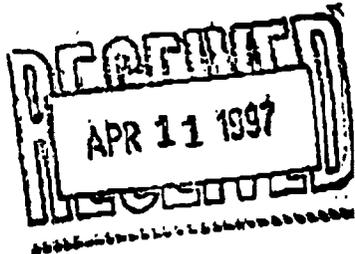
197
faxed & mailed to KCS (Rick Deffenbaugh). Staci

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

Richard L. Chase
P.O. Box 960
Artesia, NM 88211-0960



Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

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RICHARD L. CHASE

By: 
Title: Richard L. Chase

5/97

fixed: mailed to KCS (Rick Deffenbaugh). Staci

KCS Medallion Resources, Inc.

7728 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5488 • 918 488-8283 Telephone • 918 488-8182 Fax

VIA FAX (713-960-1672)

April 4, 1997

Maralo, Inc.
9151 San Felipe, Ste. 400
Houston, TX 77027-5420

Attention: Joe Pulido

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E $\frac{1}{4}$ of Section 14-17S-28E
Eddy County, New Mexico

Dear Mr. Pulido:

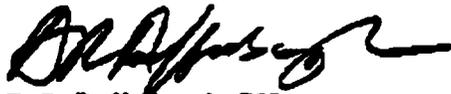
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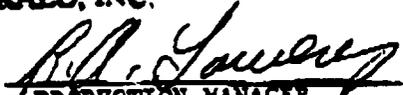
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MARALO, INC.

By: 
Title: PRODUCTION MANAGER

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-8469 • 918 488-8283 Telephone • 918 488-8182 Fax

VIA EXPRESS MAIL

April 15, 1997

Jalapeno Corporation
P.O. Box 1608
Albuquerque, NM 87103-1608

Attention: Mr. Harvey E. Yates, Jr.

Re: Aid 14 Prospect
Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

Dear Mr. Yates:

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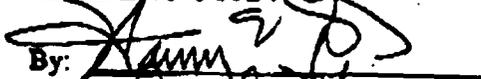
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JALAPENO CORP.

By: 
Title: President

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-9489 • 918 488-8293 Telephone • 918 488-8182 Fax

VIA EXPRESS MAIL

April 15, 1997

Cibola Energy Corp.
P.O. Box 1668
Albuquerque, NM 87103-1668

Attention: Mr. Harvey E. Yates, Jr.

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Application for Unorthodox Gas Well Location
E½ of Section 14-17S-28E
Eddy County, New Mexico

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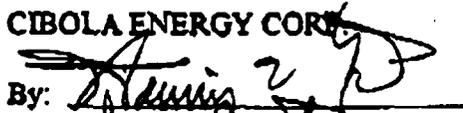
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CIBOLA ENERGY CORP

By: 
Title: President