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March 11, 1997

Hand Delivered

Case 11752

Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for an unorthodox gas well location, and a proposed advertisement, filed on behalf of KCS Medallion Resources, Inc. Please set this case for the April 3rd Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for KCS Medallion
Resources, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF KCS MEDALLION
RESOURCES, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

CASE NO. 11752

APPLICATION

KCS Medallion Resources, Inc. hereby applies for an unorthodox gas well location in the Morrow formation underlying the N½ of Section 27, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N½ of said Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill a well at an unorthodox location 560 feet from the North and East lines of Section 27, to a depth sufficient to test the Morrow formation (North Turkey Track-Morrow Gas Pool), and seeks to dedicate the N½ of Section 27 thereto.

3. The granting of the unorthodox location will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for KCS Medallion
Resources, Inc.

PROPOSED ADVERTISEMENT

Case 11152: Application of KCS Medallion Resources, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill a well to the base of the Morrow formation at an unorthodox gas well location 560 feet from the North line and 560 feet from the East line of Section 27, Township 18 South, Range 29 East, NMPM, said location being unorthodox for the North Turkey Track-Morrow Gas Pool. The N $\frac{1}{2}$ of Section 27 will be dedicated to the well. Said unit is located approximately 9 miles East-Northeast of Old Illinois Camp.