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JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

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

April 30, 1999

Via Fax and U.S. Mail

Mark Ashley
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case 12144; Application of KCS Medallion Resources, Inc.
for simultaneous dedication and an unorthodox gas well
location, Eddy County, New Mexico

Dear Mr. Ashley:

As we discussed, the operator of record of both wells on the well
unit (W $\frac{1}{2}$ §27-18S-31E) will be RSE Partners-I, L.P. RSE is the
operator of the existing well. Please call if you have any
questions.

Very truly yours,



James Bruce

Attorney for KCS Medallion
Resources, Inc.