

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

November 22, 1999

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

HAND DELIVERED

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
Attn: Mr. Ben Stone

99 NOV 22 PM 3:06
OIL CONSERVATION DIV.

Re: **NOTICE OF OBJECTION:**
KCS Medallion Resources, Inc.
West Surgart "19" Federal Well No. 2
Unit O, Section 19, T18S, R31E, NMPM,
Administrative Application to NMOCD
for Salt Water Disposal, Eddy County, New Mexico

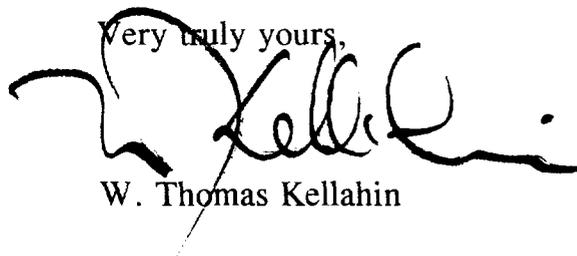
Dear Mr. Stone:

By letter dated November 15, 1999, and on behalf of KCS Medallion Resources, Inc. Mr. Paul Cooter forwarded to you supplemental information in order to complete an application filed in May, 1999. Division Rule 701.D allows an objection to be filed within 15 days after receipt (by the Division) of a complete application.

Accordingly, on behalf of Concho Resources, L.L.C., as an offsetting operator and interest owner, we hereby object to the referenced application by KCS Medallion Resources, Inc. for approval of this wellbore for salt water disposal described in its administrative application to the Division.

We request that this matter be set for hearing and that Concho Resources, Inc. be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cfx: Paul A. Cooter, Esq.
Attorney for KCS Medallion Resources, Inc.
cfx: Concho Resources, L.L.C.
Attn: Mike Gray