

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division  
311 S. 1st Street  
Alamosa, NM 88210-2834

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-93772
2. Name of Operator KCS Medallion Resources, Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 7130 South Lewis, Suite 700, Tulsa, OK 74136	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL 1980' FWL of Sec. 19, T18S-R31E	8. Well Name and No. West Shugart "19" Federal #1
	9. API Well No. 30-015-30149
	10. Field and Pool, or Exploratory Area Shugart Wolfcamp
	11. County or Parish, State Eddy County, NM

**12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced lease. The previous operator was Penwell Energy, Inc.

KCS Medallion Resources, Inc., as new Operator, accepts all applicable terms, conditions, stipulations and restrictions, covering operations conducted on the lease portion of lease described.

Bond Coverage: Underwriters Indemnity Company  
BLM Bond File No.: NM2462  
Surety Bond No.: B05649

The effective date of this change is July 15, 1998.

KCS Medallion Resources, Inc. requests a change of Proposed Total Depth to 8600'±.

14. I hereby certify that the foregoing is true and correct

Signed <u>[Signature]</u>	Title <u>Agent</u>	Date <u>7/22/98</u>
(This space for Federal or State office use)		
Approved by <u>(ORIG. SGD.) DAVID R. GLASS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>JUL 23 1998</u>
Conditions of approval, if any:		