

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Kathryn Kersey Alexander and Marie Kersey Wate
Trustees of the Harold Kersey
and Mary Ellen Kersey
Revocable Trust
808 Grand
Artesia, NM 88210

Handwritten notes:
K
Katanack
Case
File
11712

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Alexander and Ms. Wate:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

This same AFE has been provided to the State of New Mexico, Oil Conservation Division by copy of this letter.

If there are any questions, you may reach me at the above number.

Sincerely,

KCS MEDALLION RESOURCES, INC.



D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: **State of New Mexico**
Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Amoco Production Company
P. O. Box 4891
Houston, TX 77210

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Coradene Autry
6109 Denis Lane
Odessa, TX 79762-5128

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Autry:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mary L. Boling
P. O. Box 768
Artesia, NM 88211-0768

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Boling:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Robert E. Boling
305 South Fifth
Artesia, NM 88210-2013

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Boling:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Bright and Company
2911 Turtle Creek Blvd., #700
Dallas, TX 75219-6251

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Donald Brown
710 West 9th
Roswell, NM 88201-3914

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Brown:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chase Oil Corporation
P. O. Box 1767
Artesia, NM 88211-1767

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Cibola Energy Corporation
P. O. Box 484
Albuquerque, NM 87103-0484

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Conoco, Inc.
10 Desta Dr.
Midland, TX 79705

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

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February 25, 1997

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Costilla Energy LLC
511 West Texas
Midland, TX 79701-4200

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

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KCS Medallion Resources, Inc.

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Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Parkway
Suite 600
Oklahoma City, OK 73134-2600

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Olen F. Featherstone, II
1801 W. Second St.
Roswell, NM 88201-1709

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Featherstone:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Finwing Corporation
P. O. Box 10886
Midland, TX 79702-7886

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Charles C. Harlan, Jr.
c/o Scott Venezia
P. O. Box 432976
San Ysidro, CA 92143-2976

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Harlan:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Charles W. Hicks
6200 Osuna NE
Albuquerque, NM 87109-2561

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Hicks:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Margaret Kersey Holcomb Trust,
Judy Ann Medeiros, Trustee
P. O. Box 252
Alamogordo, NM 88311-0252

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Medeiros:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Hyco Industries Inc.
P. O. Box 840
Artesia, NM 88211-0840

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ariel H. R. Johnson
7220 Via De La Siesta
Scottsdale, AZ 85258-4024

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Johnson:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

W. D. Kennedy
550 W. Texas, #1225
Midland, TX 79701-4266

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Kennedy:

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Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Harold Kersey
P. O. Box 811
Fredericksburg, TX 78624-0811

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Kersey:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Gene O. Kruse
4101 E. Hwy 50, Lot 448
Garden City, KS 67846-8310

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Kruse:

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VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

L and L Development Company
3500 Oak Lawn, Suite 720
Dallas, TX 75219-4370

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

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cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Myrtle McCann Larsen Estate
Greta M. Edgington, Administrator
1715 20th Street
Gering, NE 69341-2310

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Edgington:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

This same AFE has been provided to the State of New Mexico, Oil Conservation Division by copy of this letter.

If there are any questions, you may reach me at the above number.

Sincerely,

KCS MEDALLION RESOURCES, INC.



D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Earl A. Latimer, Jr.
219 Shawnee Rd.
Dexter, NM 88230-9637

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Latimer:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

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cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Sam Lett Testamentary Trust
Thomas W. Lett, Trustee
3500 Oak Lawn, Suite 720
Dallas, TX 75219-4370

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Lett:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Thomas W. Lett
3500 Oak Lawn, Suite 720
Dallas, TX 75219-4370

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Lett:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A. J. Losee
P. O. Box 1720
Artesia, NM 88211-1720

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Losee:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

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Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Marathon Oil Company
P. O. Box 552
Midland, TX 79702-0552

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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KCS MEDALLION RESOURCES, INC.



D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Roland McLean
10912 NW 5th Ct.
Plantation, FL 33324-1533

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. McLean:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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Sincerely,

KCS MEDALLION RESOURCES, INC.



D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: State of New Mexico
Oil Conservation Division

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Thelma Kersey Methvin Trust,
Judy Ann Medeiros, Trustee
P. O. Box 252
Alamogordo, NM 88311-0252

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Ms. Medeiros:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

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cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Nanta Oil and Gas Corporation
P. O. Box 10886
Midland, TX 79702-7886

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

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

February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Olwick Corporation
P. O. Box 10886
Midland, TX 79702-7886

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

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cc: State of New Mexico
Oil Conservation Division

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Parker & Parsley Prod. Co.
Box 3178
Midland, TX 79702

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No. R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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cc: State of New Mexico
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KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Petratis Oil and Gas Inc.
P. O. Box 10886
Midland, TX 79702-7886

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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D.R. Deffenbaugh, CPL
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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Phillips Petroleum Company
P. O. Box 1967
Houston, TX 77251-1967

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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Oil Conservation Division

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7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Charles F. Qualia
P. O. Box 7221
Midland, TX 79708-0221

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Qualia:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
Landman

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Enclosures

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Oil Conservation Division

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ralph N. Randel
5251 Rendon Rd.
Ft. Worth, TX 76140-9673

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Randel:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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D.R. Deffenbaugh, CPL
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Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Morris E. Schertz
P. O. Drawer 2588
Roswell, NM 88202-2588

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Schertz:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mark L. Shidler Inc.
1010 Lamar, Suite 500
Houston, TX 77002-6311

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Paul Slayton
P. O. Box 2035
Roswell, NM 88202-2035

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Slayton:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Smith Investment Trust
William Elder and Kester L.
Omar, Co-Trustees
P. O. Box 1785
Albuquerque, NM 87103-1785

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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D.R. Deffenbaugh, CPL
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Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

NE Tex Oil and Gas Inc.
P. O. Box 2070
Hobbs, NM 88241-2070

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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D.R. Deffenbaugh, CPL
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KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

J. Cleo Thompson
325 North St. Paul, Suite 4500
Dallas, TX 75201-3993

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Thompson:

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D.R. Deffenbaugh, CPL
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Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

James Cleo Thompson, Jr.
4500 NCNB Center, Tower II
Dallas, TX 75202-3746

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Thompson:

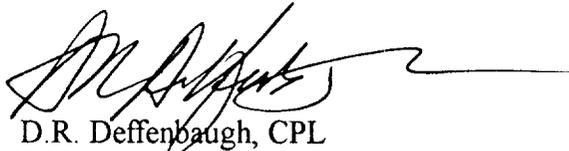
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D.R. Deffenbaugh, CPL
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KCS Medallion Resources, Inc.

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

February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Perry W. Wesley Oil and Gas Inc.
P. O. Box 371
Midland, TX 79702-0371

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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D.R. Deffenbaugh, CPL
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Oil Conservation Division

KCS Medallion Resources, Inc.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Clayton Williams Energy Inc.
6 Desta Drive, Suite 1100
Midland, TX 79705-5510

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

This same AFE has been provided to the State of New Mexico, Oil Conservation Division by copy of this letter.

If there are any questions, you may reach me at the above number.

Sincerely,

KCS MEDALLION RESOURCES, INC.



D.R. Deffenbaugh, CPL
Landman

DRD:smm

Enclosures

cc: State of New Mexico
Oil Conservation Division

KCS Medallion Resources, Inc.

7130 South Lewis Avenue • Suite 700 • Tulsa, Oklahoma 74136-5489 • 918 488-8283 Telephone • 918 488-8182 Fax
February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mark B. Wilson
4501 Green Tree Blvd.
Midland, TX 79707-1607

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Dear Mr. Wilson:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 80202-2323

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

Pursuant to State of New Mexico, Oil Conservation Division Order No.R-10774 issued February 21, 1997, attached please find KCS Medallion Resources, Inc.'s AFE dated January 1, 1997, provided as an itemized schedule of estimated well costs for the drilling and completion of the subject well.

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February 25, 1997

Writer's Direct Number (918) 491-4105

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
P. O. Box 1395
Artesia, NM 88211-1395

Re: Bear Grass Draw #33-1 Well
Oil Conservation Division Case No. 11712
S/2 Section 33-T17S-R29E
Eddy County, NM

Gentlemen:

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