



InterCoast Oil and Gas

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

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

RE: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Ms. Alexander and Ms. Wate:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") has acquired interests in the referenced lands pursuant to well trade agreements with Logro Corporation. In this connection, InterCoast proposes the drilling of an 11,000' Morrow well at a location in the SE/4 of Section 33. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

InterCoast proposes that you support the test well by participating with your proportionate interest or by granting us a farmout pursuant to the following terms:

1. On or before 150 days following the execution of a definitive agreement, InterCoast would commence or cause the commencement of an 11,000' Morrow test at a legal location in the SE/4 of Section 33.
2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment covering all of your interest in the S/2 of Section 33 from the surface of the earth to the total depth drilled in the test well. Such Assignment would be limited to the proration unit established for the test well and any and all equipment used and obtained in connection therewith.
3. You would reserve in such assignment an overriding royalty interest equal to the difference between existing leasehold burdens and 25%, proportionately reduced to the interest being assigned.

Kathryn Kersey Alexander and Marie Kersey Wate
November 20, 1996
Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address .

Very truly yours,

INTERCOAST OIL AND GAS COMPANY



D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad
c:\winword\carol\beargrs.doc

Enclosure

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11712 Exhibit No. 4

Submitted by: InterCoast Oil and Gas Company

Hearing Date: February 20, 1997

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Kathryn Kenney Alexander
 Marie Kenney Kate
 Trustees of Harold's Trust
 c/o Kenney Rev. Trust
 505 Grand
 Astoria, OR 97103

4a. Article Number

9553 985 167

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD

Date of Delivery

12-2-96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

Kenney Kate

6. Signature: (Addressee or Agent)

[Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

USPS Form 3800, April 1995

Postmark or Date	Tulsa, Oklahoma 74136
Return Receipt Showing to Whom	Return Receipt Showing to Whom
Restricted Delivery Fee	
Special Delivery Fee	
Certified Fee	
Postage	\$
Post Office, State, & ZIP Code	
Street & Number	11111 Kenney Ave
City	Tulsa, Oklahoma

USPS Form 3800, April 1995

Postmark or Date: Tulsa, Oklahoma 74136

Return Receipt Showing to Whom: Return Receipt Showing to Whom

Restricted Delivery Fee: Special Delivery Fee: Certified Fee: Postage: \$

Post Office, State, & ZIP Code: Street & Number: City:

USPS Form 3800, April 1995

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

USPS Form 3800, April 1995

Postmark or Date: Tulsa, Oklahoma 74136

Return Receipt Showing to Whom: Return Receipt Showing to Whom

Restricted Delivery Fee: Special Delivery Fee: Certified Fee: Postage: \$

Post Office, State, & ZIP Code: Street & Number: City:



InterCoast Oil and Gas

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488 8283 Telephone
918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

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

RE: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") has acquired interests in the referenced lands pursuant to well trade agreements with Logro Corporation. In this connection, InterCoast proposes the drilling of an 11,000' Morrow well at a location in the SE/4 of Section 33. Dry-hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

InterCoast proposes that you support the test well by participating with your proportionate interest or by granting us a farmout pursuant to the following terms:

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3. You would reserve in such assignment an overriding royalty interest equal to the difference between existing leasehold burdens and 25%, proportionately reduced to the interest being assigned.

Parker & Parsley Prod. Co.
November 20, 1996
Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address .

Very truly yours,

INTERCOAST OIL AND GAS COMPANY

A handwritten signature in black ink, appearing to read 'D.R. Deffenbaugh', written in a cursive style.

D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad
c:\winword\carol\beargrs.doc

Enclosure

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- Write "Return Receipt Requested" on the multiple below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Robert & Family, P.O. Box 3178, Midland, TX 79702

4a. Article Number

2553 985 168

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

James Stevens

6. Signature: (Addressee or Agent)

James Stevens

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

PS Form 3800, April 1995

US Postal Service		P 553 985 168	
Receipt for Certified Mail		12-12-7 + 168	
No insurance coverage provided.		Do not use for International Mail (See reverse)	
Sent to		12-12-7 + 168	
Street & Number		12-12-7 + 168	
Post Office, State, & ZIP Code		12-12-7 + 168	
Postage		\$	
Certified Fee			
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom			
Return Receipt Showing to Whom			
TOTAL POSTAGE		12-12-7 + 168	
Postmark or Date		Suite 700 Tulsa, Oklahoma 74136	



InterCoast Oil and Gas

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 S. Lincoln Avenue
Suite 700
Tulsa, Oklahoma 74136
918 486 8753 Telephone
918 486 8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

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

RE: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") has acquired interests in the referenced lands pursuant to well trade agreements with Logro Corporation. In this connection, InterCoast proposes the drilling of an 11,000' Morrow well at a location in the SE/4 of Section 33. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Louis Dreyfus Natural Gas

November 20, 1996

Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address .

Very truly yours,

INTERCOAST OIL AND GAS COMPANY

A handwritten signature in black ink, appearing to read "D.R. Deffenbaugh", with a long horizontal flourish extending to the right.

D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad

c:\winword\carol\beagrns.doc

Enclosure

P 553 985 169

Receipt for Certified Mail

US Postal Service
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to <i>Stacy Reynolds</i>	Street & Number <i>5223</i>	Post Office, State, & ZIP Code	Postage \$	Certified Fee	Special Delivery Fee	Restricted Delivery Fee	Return Receipt Showing to Whom & Date Delivered	Return Receipt Showing to Whom	Date & Addressee's Address INTERCOAST OIL AND GAS COMPANY 150 South Lewis Ave	TOTAL Postage & Fees Suite 700 Tulsa, Oklahoma 74136
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PS Form 3800, April 1995

is your RETURN ADDRESS completed on the reverse side

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Stacy Reynolds National
14000 Grand Ave, Ste 600
Oklaahoma City, OK
73126

4a. Article Number

P553 985 169

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD

7. Date of Delivery

11-21-96

5. Received By: (Print Name)

Stacy Reynolds

6. Signature (Addressee or Agent)

X Stacy Reynolds

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Conoco, Inc.
November 20, 1996
Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address .

Very truly yours,

INTERCOAST OIL AND GAS COMPANY

A handwritten signature in black ink, appearing to read 'D.R. Deffenbaugh', with a long horizontal flourish extending to the right.

D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad
c:\winword\carol\beargrs.doc

Enclosure

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

Sent to: WINTERGAS COMPANY
 Street & Number: 7130 South Lewis Ave
 Post Office, State, & ZIP Code: Tulsa, Oklahoma 74136

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom	
Date & Addressee's Address	
Return Receipt Showing to Whom	
Date & Addressee's Address	
Postmark or Date	

PS Form 3800, April 1995

PS Form 3811, December 1994

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- The Return Receipt will show to whom the article was delivered and the date delivered.

1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
Wintergas Inc.
10 Data Dr.
Midland, TX 79705

4a. Article Number: 9553 985 170
 4b. Service Type:
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

5. Received By: (Print Name)
Horvath

6. Signature of Addressee or Agent
X

7. Date of Delivery: 12-2

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

Thank you for using Return Receipt Service.



InterCoast Oil and Gas

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

Writer's Direct Number - (918) 491-4105

November 20, 1996

Marathon Oil Co.
1501 Stampede Ave.
Cody, WY 82414

RE: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company, ("InterCoast") has acquired interests in the referenced lands pursuant to well trade agreements with Logro Corporation. In this connection, InterCoast proposes the drilling of an 11,000' Morrow well at a location in the SE/4 of Section 33. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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2. In the event the test well results in a well capable of producing in commercial quantities, InterCoast would earn an assignment covering all of your interest in the S/2 of Section 33 from the surface of the earth to the total depth drilled in the ~~test~~ well. Such Assignment would be limited to the proration unit established for the test well and any and all equipment used and obtained in connection therewith.
3. You would reserve in such assignment an overriding royalty interest equal to the difference between existing leasehold burdens and 25%, proportionately reduced to the interest being assigned.

Marathon Oil Co.
November 20, 1996
Page 2

Please advise of your election in this matter. If you desire to participate, please so indicate by executing the enclosed AFE and returning to the attention of the undersigned at the letterhead address .

Very truly yours,

INTERCOAST OIL AND GAS COMPANY

A handwritten signature in black ink, appearing to read 'D.R. Deffenbaugh', with a long horizontal flourish extending to the right.

D.R. Deffenbaugh, CPL
Senior Landman

DRD:cad
c:\winword\caro\beargrs.doc

Enclosure

US Postal Service
 P 553 985 171
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

Sent to
 Production Cell Co.
 Street & Number

Post Office, State, & ZIP Code

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, Address, Address	
TOTAL Postage & Fees	
Postmark or Date	Suite 700 Tulsa, Oklahoma 74136

INTERCAST OIL and GAS COMPANY
 130 South Lewis Ave
 Tulsa, Oklahoma 74136
 Case No. 1

PS Form 3800 April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the return envelope on the mailpiece.
- Write "Return Receipt requested" on the mailpiece to indicate article number.
- The Return Receipt will return to whom the article was delivered.

1 I also wish to receive the following services (for an extra fee):

Addressee's Address
 Restricted Delivery
 Consult postmaster for fee.

2 Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Production Cell Co.
 1501 Stimpole Ave.
 Celby, WY 82414

4a. Article Number
 9851171

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD
 Certified
 Insured

5. Received By: (Print Name)
 M.R. Steiner M.R. Steiner

6. Signature: (Addressee or Agent)
 X

7. Date of Delivery
 11/25

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Attention: Jerry West

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

Coradene Autry
6109 Denis Lane
Odessa, TX 79762-5128

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Ms. Autry:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

SENDER:

- Complete items 1 and/or 2 for additional services.
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3. Article Addressed to:

Coradene Autry
6109 Denis Lane
Odessa, TX 79762-5128

5. Received By: (Print Name)

Coradene Autry

6. Signature: (Addressee or Agent)

Coradene Autry

PS Form 3811, December 1994

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

4a. Article Number
Z156482528

4b. Service Type

Registered Certified

Express Mail Insured

Return Receipt for Merchandise COD

7. Date of Delivery
DEC 11 1996

8. Addressee's Address, City, State, and ZIP Code
PS

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Coradene Autry
6109 Denis Lane
Odessa, TX 79762-5128



UNITED STATES POSTAL SERVICE

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Date and Addressee's Address	
Total Postage & Fees	
Postmark or Date	

INTERCOAST OIL and GAS COMPANY
7130 South Lewis Ave.
Suite 700
Tulsa, Oklahoma 74136

PS Form 3811



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

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Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return this card to you.
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 The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

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

5. Received By: (Print Name)

Alberto Ruiz

6. Signature: (Addressee or Agent)

Alberto Ruiz

PS Form 3811, December 1994

Domestic Return Receipt

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

4a. Article Number

Z 156 482 533

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD

7. Date of Delivery

12-16

8. Addressee's Address (Only if requested and fee is paid)

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)



Z 156 482 533

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Date Delivered	
TOTAL Postage & Fees	\$

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. Featherstone:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return this card to you.
 Attach this form to the front of the mailpiece, or on the back if space does not permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Olen F. Featherstone, II
 1801 W. Second St.
 Roswell, NM 88201-1709

4a. Article Number
 P 332 292 626

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 12/17/96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
 J. A. Sigo

6. Signature: (Addressee or Agent)
 X *[Signature]*

PS Form 3800, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

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

US Postage P 332 292 626

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Addressee's Address	
TOTAL Postage & Fees	\$ 5.80
Postmark or Date	APR 19 1995 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74138

Form 3800 April 1995



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico



Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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SENDER:

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- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

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

5. Received By: (Print Name)

Signature: (Addressee or Agent)

PS Form 3811, December 1994

4a. Article Number

Z 156 482 519

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

Receipt for
Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)



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

Z 156 482 519

(cont)

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. Harlan:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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Is your RETURN ADDRESS completed on the reverse side?

SENDER:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return this card to you.
 Attach this form to the front of the mailpiece, or on the back if space does not permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 Charles C. Harlan, Jr.
 c/o Scott Venezia
 P. O. Box 432976
 Sunnyvale, CA 92143-2976

4a. Article Number
 P 332 292 625

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 12/18/94

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X *Charles C. Harlan, Jr.*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

US Postal Service
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

Charles C. Harlan, Jr.
 P. O. Box 432976
 Sunnyvale, CA 92143-2976

P 332 292 625

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Date Delivered	
Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	DEC 18 1994
INTERCOAST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74109	



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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INSTRUCTIONS:

Complete items 1 and/or 2 for additional services.
Complete items 3, 4a, and 4b.
Print your name and address on the reverse of this form so that we can return this card to you.
Attach this form to the front of the mailpiece, or on the back if space does not permit.
Write "Return Receipt Requested" on the mailpiece below the article number.
The Return Receipt will show to whom the article was delivered and the date delivered.

Article Addressed to:

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

Received By: (Print Name)

John Hamilton
Signature: (Addressee or Agent)
X John Hamilton

PS Form 3811, December 1994

Domestic Return Receipt

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

4a. Article Number
Z-156 482 511

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

7. Date of Delivery
12-17-94

6. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Receipt for
Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 UNITED STATES POSTAL SERVICE
 (See Reverse)
 Hycos Industries Inc.
 P. O. Box 840
 Artesia, NM 88211-0840

Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt Showing to Whom & Date Delivered
Return Receipt Showing Date and Addressee's Address
Total Postage & Fees
Postmark or Date

INTERCOAST OIL AND GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811

Z 156 482 511



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Jalapeno Corporation
 P. O. Box 1608
 Albuquerque, NM 87103

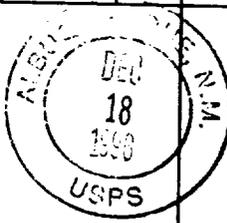
4a. Article Number
 2156 482 518

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

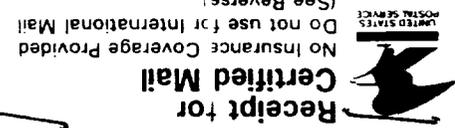


Signature (Addressee or Agent)
 X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



2 156 482 518

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom Delivered & Date of Delivery	
Return Receipt Showing to Whom Delivered & Date of Delivery	
Date and Addressee's Address	
TOTAL Postage & Fees	
INTERCOAST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136	

PS Form 3811



December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Ms. Johnson:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
P 332 292 617

4b. Service Type
 Registered
 Express Mail
 Return Receipt Requested
 Certified
 Insured
 COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid) 1996

5. Received By: (Print Name)

6. Signature (Addressee or Agent)



Thank you for using Return Receipt Service.

Domestic Return Receipt

Postmark or Date	7130 South Lewis Ave. Suite 700 Scottsdale, AZ 85258-4024
Return Receipt Showing to Whom	INTERCOAST OIL and GAS COMPANY
Return Receipt Showing to Whom & Date Delivered	
Restricted Delivery Fee	
Special Delivery Fee	
TOTAL Postage & Fees	\$

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail (See reverse)

P 332 292 617

over



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. Latimer:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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3. Article Addressed to:

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

57 Received By: (Print Name)
Earl A. Latimer, Jr.
58 Signature (Addressee or Agent)

30 X

PS Form 3811, December 1994

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

4a. Article Number
2156482542

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

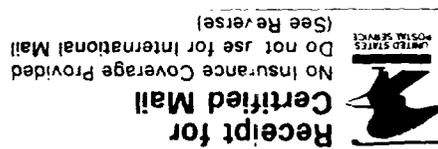
7. Date of Delivery
05 12-17-96

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.



2 156 482 542

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

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

Certified Fee	
Spec. Delivery Fee	
Registered Delivery Fee	
Return Receipt Showing to Addressee & Date Delivered	
Return Receipt Showing to Addressee	
TOTAL Postage	\$ 2.50

INTERCOAST OIL and GAS COMPANY
7130 South Lewis Ave.
Suite 700
Tulsa, Oklahoma 74136

PS Form



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. McLean:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Write "Return Receipt Requested" on the mailpieces below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

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

5. Received By: (Print Name)

Roland McLean

6. Signature: (Addressee or Agent)

Roland McLean

PS Form 3811, December 1994

Domestic Return Receipt

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

4a. Article Number

2156482540

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

2 156 482 540

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Postal Mail
(See Reverse)



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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCOAST OIL and GAS COMPANY
7130 South Lewis Ave.
Suite 700
Tulsa, Oklahoma 74138

PS Form



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Trade

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return this card to you.
 Attach this form to the front of the mailpiece, or on the back if space does not permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

4a. Article Number
2156482523
 4b. Service Type
 Registered
 Express Mail
 Certified
 Return Receipt for Merchandise
 Insured
 COD
 7. Date of Delivery

3. Article Addressed to:
 Nanta Oil and Gas Corporation
 P. O. Box 10886
 Midland, TX 79702-7886

5. Received By: (Print Name)
Charles H. Smith

6. Signature: Addressee or Agent
Charles H. Smith

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

PS Form 3811, December 1984

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811, December 1984

2 198 985 523



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

~~ME~~ **Tex Oil and Gas Inc.**
P. O. Box 2070
Hobbs, NM 88241-2070

**Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico**

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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3. Article Addressed to:

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

4a. Article Number
2156482539

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

5. Received By: (Print Name)
ROSEDA HISEP

6. Signature (Addressee or Agent)
[Signature]

7. Date of Delivery
18

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 1111 Domestic Return Receipt

Thank you for using Return Receipt Service.

Receipt for Certified Mail

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

Do not use for International Mail
 No Insurance Coverage Provided
 (See Reverse.)

UNITED STATES POSTAL SERVICE

Certified Mail

2156482539

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

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SENDER:

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3. Article Addressed to:
 Petraitis Oil and Gas Inc.
 P. O. Box 10886
 Midland, TX 79702-7886

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
 2. Restricted Delivery

Consult postmaster for fee.

4a. Article Number
 Z 156 482 525

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
 X MICHAEL COOPER

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

Thank you for using Return Receipt Service.

2 156 482 525

Receipt for Certified Mail
 No Insurance Coverage Provided (See Reverse)
 Petraitis Oil and Gas Inc
 P. O. Box 10886
 Midland, TX 79702-7886

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Date Delivered	
Date of Addressee's Address	
Postage & Fees	

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3811



**InterCoast
Oil and Gas**

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

*Will do as Amco
does per Georgia
Fenton*

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

2156 482 531

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

DEC 16 1988

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature of Addressee or Agent

X

PS Form 3811, December 1984

Domestic Return Receipt

Thank you for using Return Receipt Service.

Receipt for Certified Mail



UNITED STATES POSTAL SERVICE
 No insurance coverage provided
 Do not use for international mail
 (See Reverse)

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form

2 156 482 531



InterCoast Oil and Gas

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. Qualia:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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**InterCoast
Oil and Gas**

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Dear Mr. Randel:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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is your RETURN ADDRESS completed on the reverse side?

SENDER:
 ■ Complete items 1 and/or 2 for additional services.
 ■ Complete items 3, 4a, and 4b.
 ■ Print your name and address on the reverse of this form so that we can return this card to you.
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.
 ■ Write "Return Receipt Requested" on the mailpiece below the article number.
 ■ The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
 Ralph N. Randel
 5251 Rendon Rd.
 Ft. Worth, TX 76140-9673

4a. Article Number: P 332 292 616

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery: 12-16-91

5. Received By: (Print Name)
Mrs. Ralph Randel

6. Signature: (Addressee or Agent)
X Mrs. Ralph Randel

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1984 Domestic Return Receipt

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave
 Suite 700
 Tulsa, Oklahoma 74136



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74126
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

Shinnery Investment Co.
906 S. St. Francis Dr., Suite C
Santa Fe, NM 87501-3761

Will Participate

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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3. Article Addressed to:

Shinnery Investment Co.
906 S. St. Francis Dr., Suite C
Santa Fe, NM 87501-3761

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

4a. Article Number

Z 156 482 507

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-18-94

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)
Shinnery Investment Co.

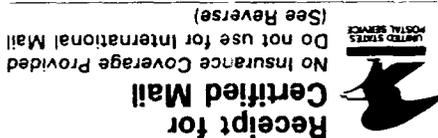
Signature: (Addressee or Agent)
[Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

2 156 482 507



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Shinnery Investment Co.
906 S. St. Francis Dr. Suite C
Santa Fe, NM 87501-3761

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
INTERCOAST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136	

PS Form 3811



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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ENDER:

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1. Article Addressed to:

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

5. Received By: (Print Name)

Herel Antema
X *Herel Antema*

6. Signature: (Addressee or Agent)

Herel Antema

PS Form 3811, December 1994

3. Addresser's Address (Only if requested and fee is paid)

Domestic Return Receipt

4a. Article Number

Z 156 482 514

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Special Delivery



I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

UNITED STATES POSTAL SERVICE

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date, and Addressee's Address	
TOTAL Postage & Fees	
Postmark or Date	INTERCOAST OIL and GAS COMPANY 7130 South Lewis Ave. Suite 700 Tulsa, Oklahoma 74136

PS Form 3811



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

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2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

Should you elect to sell or assign your interest pursuant to selections 2 or 3 above, please so indicate below. The offers set forth in selection 2 or 3 above are subject to InterCoast's review of any agreements to which your interest is subject, including any operating agreements.

DER:

Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Return Receipt Requested on the mailpiece below the article number. Return Receipt will show to whom the article was delivered and the date delivered.

Article Addressed to:

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

4a. Article Number

2156482 517

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-16-96

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)
Signature: (Addressee or Agent)
Clayton Williams

Domestic Return Receipt

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)



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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing To Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCOAST OIL and GAS COMPANY
7130 South Lewis Ave.
Suite 700
Tulsa, Oklahoma 74136

PS Form

Thank you for using Return Receipt Service.



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

In connection with the test well, InterCoast proposes that you select one of the following alternatives:

1. Participate in the proposed test well by paying your proportionate share of the drilling and completion costs and returning an executed copy of the enclosed AFE; or
2. Sell all of your interest in the S/2 of Section 33 for \$175.00 per acre reserving a 3/16ths royalty.
3. Assign all of your interest in the S/2 of Section 33 for no bonus consideration, reserving a 1/4th royalty.

Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the postage below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

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

5. Received By: (Print Name)

Signature (Addressed to Agent)
[Signature]

PS Form 3811, December 1994

4a. Article Number

2 156 482 527

4b. Service/Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-19-96

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

Thank you for using Return Receipt Service.

Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

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

2 156 482 527

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Address & Address	
TOTAL Postage & Fees	

INTERCOAST OIL and GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74136

PS Form 3



InterCoast Oil and Gas

December 11, 1996

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

Harvey E. Yates Co., Inc.
P. O. Box 1933
Roswell, NM 88202-1933

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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Should you desire to participate, please so indicate by signing the enclosed AFE and returning one copy to this office. Upon receipt, we will forward an Operating Agreement for your review.

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SENDER:

- Complete items 1 and/or 2 for additional services.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Harvey E. Yates Co., Inc.
P. O. Box 1933
Roswell, NM 88202-1933

4a. Article Number
Z 156 482 510

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 Certified
 Insured
 COD

7. Date of Delivery
DEC 17 1984

8. Addressee's Address and fee is paid
USPS

5. Received By: (Print Name)
Karale Dalayppie

6. Signature: (Addressee or Agent)
X Karale Dalayppie

PS Form 3811, December 1984 Domestic Return Receipt

Thank you for using Return Receipt Service.

Form 3811, December 1984, PS Form 3811, December 1984

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing Date and Addressee's Address	
TOTAL Postage & Fees	\$

INTERCOAST OIL and GAS COMPANY
7130 South Lewis Ave.
Suite 700
Tulsa, Oklahoma 74136

Receipt for Certified Mail
No Insurance Coverage Provided (See Reverse)

Harvey E. Yates Co., Inc.
P. O. Box 1933
Roswell, NM 88202-1933

2 156 482 510



**InterCoast
Oil and Gas**

InterCoast Oil and Gas Company
7130 South Lewis Avenue
Suite 700
Tulsa, Oklahoma 74136
918 488-8283 Telephone
918 488-8182 Fax

December 11, 1996

CERTIFIED MAIL-RETURN RECEIPT

Writers Direct Number (918) 491-4105

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

Re: Bear Grass Draw
S/2 Section 33-17S-29E
Eddy County, New Mexico

Gentlemen:

InterCoast Oil and Gas Company, formerly named Medallion Production Company ("InterCoast") hereby proposes the drilling of a test well to be located in the SE/4 of Section 33-17S-29E, Eddy County, New Mexico. InterCoast proposes that the test well be drilled to a depth of about 11,000' in order to sufficiently test the Morrow formation. Dry hole costs are estimated to be \$471,750 with total completed well costs estimated at \$801,500, as shown on the enclosed AFE.

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INSTRUCTIONS:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print your name and address on the reverse of this form so that we can return the card to you.
 Attach this form to the front of the mailpiece, or on the back if space does not permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

Article Addressed to:
 Yates Petroleum Corporation
 P. O. Box 1395
 Artesia, NM 88211-1395

4a. Article Number
 P 332 292 619

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD
 Certified
 Insured

7. Date of Delivery
 12-17-96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
 Keith Cochran

6. Signature: (Address or Agent)
 X Keith R Cochran

PS Form 3800, December 1994

Thank you for using Return Receipt Service.

US Postal Service
 Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

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

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom & Date Delivered	
Date & Addressee's Address	
TOTAL Postage & Fees	\$

Postmark of Date
 INTERCOAST OIL AND GAS COMPANY
 7130 South Lewis Ave.
 Suite 700
 Tulsa, Oklahoma 74126

PS Form 3800, April 1995

P 332 292 619