

HEYCO**HARVEY E. YATES COMPANY**

PETROLEUM PRODUCERS

P.O. BOX 1833

ONE SUNWEST CENTRE

806 / 623-8801

FAX 806 / 623-4221

ROSWELL, NEW MEXICO 88202-1833

Via Telefax

April 15, 1997

KCS Medallion Resources, Inc.
7130 South Lewis Avenue, Suite 700
Tulsa, Oklahoma 74136-5436

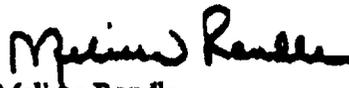
Attention: D. R. Doffenbaugh

Re: Unorthodox Gas Well Location
T-18S, R-29E, N.M.P.M.
Section 27: 990' FEL & 990' FNL
Eddy County, New Mexico

Ladies and Gentlemen:

Harvey E. Yates Company (HEYCO) agrees with the terms that MYCO Industries, Inc. (MYCO) has accepted in that certain letter agreement, dated April 14, 1997, between KCS Medallion Resources, Inc. (Medallion) and MYCO, which concerns Medallion's recent application filed with the New Mexico Oil Conservation Division seeking approval for an unorthodox gas well location, described above. HEYCO does not intend to protest Medallion's application.

Very truly yours,



Melissa Randle
Landman

/mvr
reflexmdlh.400

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 8

CASE NO. 11752