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November 5, 1997

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Mr. David R. Catanach Hearing Examiner Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Re: NMOCD Case 11850
Application of Diamond Head Properties
for clarification of Order R-10731-B (KCS Medallion)
Eddy County, New Mexico

Dear Mr. Catanach:

Mr. Jim Bruce, on behalf of KCS Medallion Resources, and I have agreed to continue the referenced case from the Examiner docket scheduled for November 6, 1997 to the Examiner hearing docket now scheduled for December 4, 1997.

Very truly yours,

W. Thomas/Kellahin

cfx: Rosalind Grover
Tom Dugan
James Bruce, Esq.