

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF KCS MEDALLION
RESOURCES, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

Case No. 11,925

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant.

3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.

5. Applicant has complied with the notice provisions of Division Rule 1207.



James Bruce

SUBSCRIBED AND SWORN TO before me this 18th day of February, 1998, by James Bruce.



Notary Public

My Commission Expires:
3/14/2001

NEW MEXICO
OIL CONSERVATION DIVISION
KCS EXHIBIT 7
CASE NO. 11925 (de novo)

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
615 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 828-8843
(505) 828-8161 (FAX)

January 28, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Southwest Royalties Inc.
Suite 300
407 North Big Spring
Midland, Texas 79701

UMC Petroleum Corporation
Suite 1400
410 17th Street
Denver, Colorado 80202

Ladies and Gentlemen:

On January 9, 1998, KCS Medallion Resources, Inc. filed an application at the New Mexico Oil Conservation Division seeking administrative approval of an unorthodox gas well location for the PDM Well No. 1, located in the SW of Section 16, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Due to an objection by Southwest Royalties, Inc., this matter has been set for hearing at 8:15 a.m. on February 19, 1998 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an offset operator, you have the right to enter an appearance and participate in the hearing. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce
Attorney for KCS Medallion
Resources, Inc.



Z 432 546 171

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

PS Form 3811, April 1985

1. **Addressed to:**
Southwest Royalties Inc.
407 N. Big Spring, #300
Midland, TX 79701

2. **Article Number:** 2 432 546 171

3. **Service Type:**
 Registered
 Express Mail
 Certified
 Insured
 COD

4. **Date of Delivery:** 2-2-91

5. **Addresser's Address (Only if requested and fee is paid):**

6. **Signature (Print Name):** [Signature]

7. **Addresser's Address (Only if requested and fee is paid):**

8. **Received By (Print Name):** [Signature]

9. **Signature (Addresser or Agent):** [Signature]

10. **Postage:** \$.32

11. **Certified Fee:** 1.35

12. **Special Delivery Fee:**

13. **Restricted Delivery Fee:**

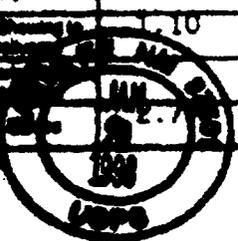
14. **Return Receipt (Showing to Whom & Date Delivered):** [Stamp]

15. **Return Receipt (Showing Date & Address):** [Stamp]

16. **TOTAL Postage:** 2.71

17. **Postmark or Date:** [Stamp]

PS Form 3811, April 1985



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- 1. Complete items 1 and 2 for additional services.
- 2. Complete items 3, 4, and 5.
- 3. Print your name and address on the reverse of this form so that we can return this form to you.
- 4. Attach this form to the front of the envelope, or on the back if space does not permit.
- 5. Write "Return Receipt Requested" on the envelope before the article number.
- 6. The Return Receipt will return to whom the article was addressed and the date delivered.

1. **Addresser's Address:**
UMC Petroleum Corp.
410 17th Street, Suite 1400
Denver, CO 80202

2. **Article Number:** 2 432 546 172

3. **Service Type:**
 Registered
 Express Mail
 Certified
 Insured
 COD

4. **Date of Delivery:** 2/2/91

5. **Addresser's Address (Only if requested and fee is paid):**

6. **Signature (Print Name):** [Signature]

7. **Addresser's Address (Only if requested and fee is paid):**

8. **Received By (Print Name):** [Signature]

9. **Signature (Addresser or Agent):** [Signature]

Thank you for using Return Receipt Service.

Domestic Return Receipt

PS Form 3811, December 1984

Z 432 546 172

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

PS Form 3811, April 1985

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UMC Petroleum Corp.
410 17th St., Suite 1400
Denver, CO 80202

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3. **Service Type:**
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 Insured
 COD

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