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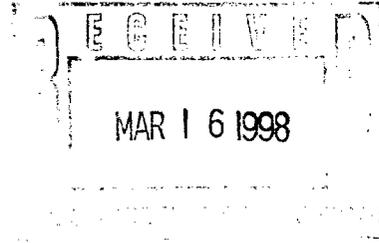
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED (1991))

March 16, 1998

HAND DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Rand L. Carroll, Esq.
Division Attorney
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: **MOTION TO DISMISS** Case 11926
Application of KCS Medallion Resources, Inc.
for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

On behalf of OXY USA Inc. I have been informed that the Bureau of Land Management ("BLM") has rejected KCS Medallion Resources, Inc. request to communitize the W/2 of Section 33, T19S, R28E, Eddy County, New Mexico.

This action by the BLM in exercising its jurisdiction over this federal oil and gas lease, has made moot Division Case 11926. Accordingly, OXY moves that the Division dismiss Case 11926 as set forth in the enclosed Motion to Dismiss. This case is currently set for hearing on the Examiner's Docket scheduled for March 19, 1998.

Very truly yours,

W. Thomas Kellahin

cc: James Bruce, Esq., Attorney for applicant
Oxy USA, Inc.
Attn: Richard Foppiano