JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

January 26, 1998

Hand Delivered

Florene Davidson Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for compulsory pooling, and a proposed advertisement, filed on behalf of KCS Medallion Resources, Inc. Please set this case for the February 19, 1998 Examiner hearing.

Casx 11926

Very truly yours,

∄ames Bruce

Attorney for KCS Medallion Resources, Inc.