



August 19, 1998

VIA FACSIMILE: 505-982-2151

James Bruce
Post Office Box 1036
Santa Fe, New Mexico 87054

Dear Mr. Bruce:

We are in receipt of the notice that KCS Medallion Resources, Inc. has filed an application at the New Mexico Oil Conservation Division for an unorthodox gas well for the PDM Well No. 1 in the W/2 Section 16, T19S-R29E, Eddy County, New Mexico. The location is shown as 660' from the West line and 850' from the South line. Please be advised that Ocean Energy Resources, Inc. has no objection to the application of KCS Medallion, and would support its request for the unorthodox location.

Sincerely,

A handwritten signature in cursive script, appearing to read "Marcia A. Kehl".

Marcia A. Kehl
Senior Landman

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 8

CASE NO. _____