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3-31-99

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 12,144

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as
required by the Oil Conservation Division.

APPEARANCES

APPLICANT

KCS Medallion
Resources, Inc.
Suite 700
7130 South Lewis Avenue
Tulsa, Oklahoma 74136
Attention: D.R. Deffenbaugh
(918) 491-4105

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks to drill a well in the W½ S27-18S-31E, at an
unorthodox location 1202 feet FNL and 660 feet FWL of Section 27,
to test the Morrow formation. The well is unorthodox due to
geologic and topographic reasons. The W½ of Section 27 is
dedicated to an existing Morrow well. The additional well is
required to produce all reserves under the well unit.

OPPONENT

PROPOSED EVIDENCE**APPLICANT**


<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
W.R. Siruta (geologist)	15 min.	(a) land plat (b) notice affidavit (c) production map (d) isopachs (e) cross-section (f) topography plat
Wes VanNatta (engineer)	15 min.	(a) r e s e r v e calculations (b) d r a i n a g e calculations (c) production data

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-


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Attorney for KCS Medallion Resources,
Inc.