

KCS Medallion Resources, Inc.

7130 South Lewis Avenue

Suite 700

Tulsa, OK 74136-5489

(918) 488-8283 phone

(918) 488-8182 fax

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Certified Article Number

P 970 690 222

SENDER'S RECORD

September 28, 2000

Mr. Gary Wink
State of New Mexico
Oil Conservation Division
1625 French Drive
Hobbs, NM 88240



RE: Savage 34 #1- API #30-025-33732
Section 34-17S-38E
Lea County, New Mexico

Dear Mr. Wink:

Pursuant to a conversation of September 27, 2000 with Mr. Forest Savage of Tatum, New Mexico, KCS Medallion Resources, Inc. ("KCS"), hereby informs you that the dry hole marker left by KCS at the location of the plugged Savage 34 #1 well was plowed over by Mr. Savage after its placement. Mr. Savage is the owner of the farmland on which the Savage well was drilled. He confirmed that this marker was indeed plowed over after its placement by KCS in April of 1997.

Should you have any questions or require any further information, please feel free to contact me directly at (918) 491-4198.

Sincerely,

A handwritten signature in black ink, reading "Stephanie Hayes". The signature is written in a cursive, flowing style. Below the signature, the name "Stephanie Hayes" is printed in a standard font, followed by the title "Land Administrator" on the next line.

Stephanie Hayes
Land Administrator

cc: DRD
REA
KA
Forest Savage