



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 19, 1999

D.P.

K.C.S. Medallion Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4345

Dear Mr. Bruce:

Reference is made to your application dated July 28, 1999 on behalf of the operator, K.C.S. Medallion Resources, Inc., for its proposed Buffalo Federal Com. Well No. 1 to be drilled at an unorthodox Morrow gas well location 660 feet from the South and West lines (Unit M) of Section 9, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico.

The S/2 of Section 9, being a standard 320-acre lay-down gas spacing and proration unit for the Buffalo-Pennsylvanian Gas Pool, is to be dedicated to this well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow "C" Sand than a well drilled at a location considered to be standard within the SW/4 of Section 9.

This application has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.

By the authority granted me under the provisions of Division Order No. R-5850, issued in Case No. 6361 and dated November 14, 1978, and Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery by DK
Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad