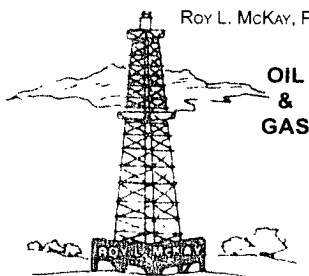


McKay Oil Corporation



ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P O BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M 88201 • FAX NO. 505 / 624 - 2202



May 31, 2007

Oil Conservation District
Attn: Tim Gum
1301 W Grand Ave
Artesia, NM 88210

Re: Non-compliance issue on API# 3000563152

Dear Tim,

Carol has been working diligently on non-compliance wells. This particular well which is the South Four Mile Draw B Federal 8 was a well that we started drilling and had to abandon and move over and redrill which was then named the South Four Mile Draw B Federal 8y API # 3000563639. Evidently our office reported production under the incorrect API#, and this is where the problem lies. November 2003 production reported under incorrect API with production reported of 2955mcf, Dec 2003 2472 mcf, Jan 2004 1504 mcf, Feb 2004, 340 mcf and then in May 2004, 2024 mcf. All of this was corrected in our system to reflect the correct API, however not in yours. Please advise on how we can correct this in your system and get off of the non-compliance list.

If you have any questions, please feel free to call Lynn Crawford or myself.

Best regards,

A handwritten signature in cursive script, appearing to read "Jennifer Corn".

Jennifer Corn
Controller

View Production Data

In Internet Explorer, right click and select[Save Target As...]
In Netscape, right click and select [Save Link As...]

Download: API_NO_3000563152.cs.v

was 300303

3000 563639 SB 300309

API #: 3000563152 Well Name: SOUTH FOUR MILE DRAW B FEDERAL COM # 008
Location: O-22-06.0S-22E, 660 FSL, 2058 FEL Lat:33.775703882 Long:-104.706912557
Operator Name: MCKAY OIL CORP County: Chaves
Land Type: Federal Well Type: Gas Spud Date:9/9/2003 1 Plug Date:
Elevation GL: 4261 Depth TVD: 3220
Pools associated:

- PECOS SLOPE;ABO (GAS) Total Acreage: Unknown Completion: Unknown Summary of Production
- [Show All](#)

Year: 2003

Pool Name: PECOS SLOPE;ABO (GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	2955	0	30
December	0	2472	0	31

Year: 2004

Pool Name: PECOS SLOPE;ABO (GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	1504	0	31
February	0	340	0	11
March	0	0	0	0
April	0	0	0	0
May	0	2024	0	26
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0

Tim Tim.gum@State.nm.us

October	0	0	0	0
November	0	0	0	0
December	0	0	0	0