

Release Immediate
1-15-87

By DCE

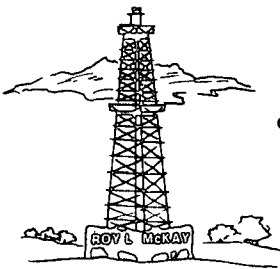
McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

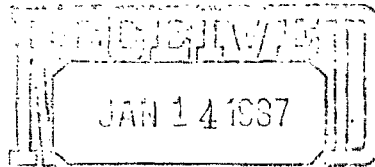
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(DFW) OFFICE FIRST CITY TOWER, SUITE 590

201 E. ABRAM, ARLINGTON, TX 76010 817-265-5515



OIL
&
GAS



OIL CONSERVATION DIVISION

Oil Conservation Division
New Mexico State Land Office
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Dave Catanach

January 9, 1987

NSL-2309
RULE-104 F(I)
West Pecos Slope Abs
Gas Pool
160 acres ded.
NW1/4 Section 13

Re: Hosmer Federal #2
NW1/4, Sec. 13, T6S, R22E
Chaves County, N.M.

Gentlemen:

McKay Oil Corporation requests an approval for an unorthodox location in the NW/4, Section 13, Township 6 South, Range 22 East, NMPM. (See Attachment 'A') Due to topography and geological problems, McKay Oil is requesting an unorthodox status.

The well was originally staked at 1980 feet from the North line and 1980 feet from the West line. Due to the terrain, the BLM would not approve this location or any other standard location within this particular drilling spacing unit. (See Attachment 'B')

The Southeast quarter of this quarter section was chosen because of geological data on surrounding wells. Further, any location in this quarter section that would be feasible to drill would have to be a non-standard location. Therefore, it is our opinion that this location would be the only economical and productive location to drill. (See Attachment 'C')

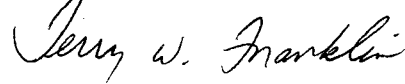
All minerals surrounding this proration unit are lease to McKay Oil Corporation. (See Attachment 'A')

Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 2030 feet from the North line and 2180 feet from the West line, Section 13, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

page 2 of 2
O.C.D.
January 9, 1987

McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

Sincerely,
McKay Oil Corporation

A handwritten signature in cursive script that reads "Terry W. Franklin".

Terry W. Franklin
Agent

Attachments

All distances must be from the outer boundaries of the Section.

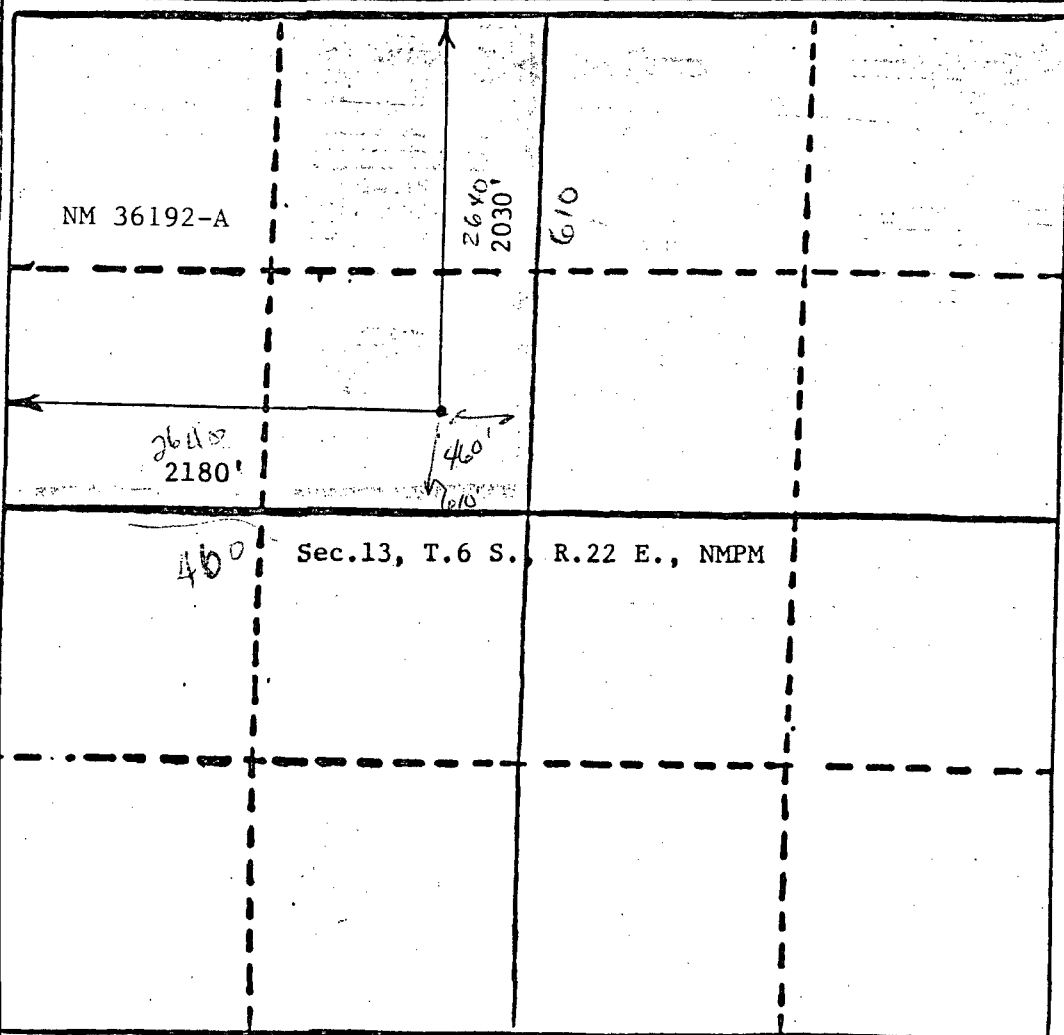
Operator McKay Oil Corp.			Lease Hosmer Federal			Well No. #2		
Unit Leases F	Section 13	Township 6 South	Range 22 East	County Chaves				
Actual Well Location of Wells 2030 feet from the North line and 2180 feet from the West line								
Ground Level Elev. 4061	Producing Formation ABO		Pool W. Pecos Slope Abo Gas			Dedicated Acreage 160.0 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No - If answer to "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Sam L. Shackelford

Position
Agent

Company
McKay Oil Corp.

Date
11-12-86

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Examined
October 2, 1986

Reviewed and Approved
by the Division

John D. Jaques, P.E. & L.S.

License No.
6290

