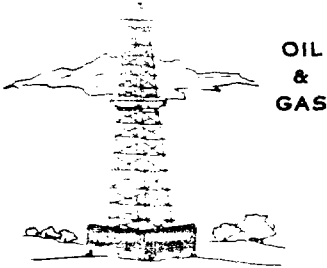


*McKay Oil Corporation*

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



CONSERVATION DIVISION  
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August 11, 1995

New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P.O. Box 6429  
Santa Fe, New Mexico 87505-6429

ATTENTION: Ms. Florene Davidson

REFERENCE: Hearing Notice dated August 4, 1995  
Division Orders Nos. R-9976 and R-9976-A  
Case Nos. 10793, 10981, and 11004

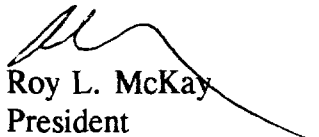
Gentlemen:

In conjunction with our various conversations regarding the captioned, McKay Oil Corporation is in agreement with Yates Petroleum Corporation's infill drilling program in the Pecos Slope Abo Field area and will support the application to either integrate the South and West Pecos Slope Field areas into the Pecos Slope Field Rules or leave the field the field names and incorporate the 80 acre spacing.

McKay Oil requests the OCD grant McKay Oil an opportunity to speak in support of the proposal during the proposed hearing.

Very truly yours,

MCKAY OIL CORPORATION

  
Roy L. McKay  
President

cc. Yates Petroleum Corporation