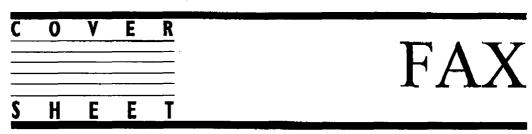


STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 . FAX No. 505/624-2202

OIL



To:

Division Examiner

Fax #:

505-827-8177

Subject:

Fasken Oil and Ranch, Ltd - Avalon "1" Federal Com Well No. 1

Date:

April 3, 1997

Pages:

2, including this cover sheet.

COMMENTS:

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If you do not receive the indicated number of pages, PLEASE CONTACT US IMMEDIATELY AT 505-623-4735.

From the desk of ...

Bill Milstead Vice President - Land & Legal McKay Oil Corporation P.O. Box 2014 Roswell, New Mexico 85202

> (505) 623-4735 Fax: (505) 624-2202

Mc Hay Oil Corporation.

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS; P.O. Box 2014 Roswell, N.M. 86202 . Telephone 305/623-4735

STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 . FAX NO. 505/624-2202

MIC



FACSIMILE TRANSMISSION

April 3, 1997

Oil Conservation Division 2040 S. Pacheco Street Santa Fe, New Mexico 87505

REFERENCE:

Fasken Oil and Ranch, Ltd.

Avalon "1" Federal Com. Well No. 1

Eddy County, New Mexico

Gentlemen:

McKay Oil Corporation and Roy L. McKay are in receipt of the required notice for the Unorthodox Gas Well Location and Non-Standard Gas Proration and Spacing Unit submitted by Fasken Oil and Ranch, Ltd. Please be advised that neither McKay Oil or Roy L. McKay object to the proposed location and therefore submit this letter in agreement with Fasken Oil and Ranch, Ltd's proposal.

Thank you for your consideration in this matter.

Very truly yours,

MCKAY OIL CORPORATION

ROY L. MCKAY

Bill J. Milstead

Vice President, Land and Legal