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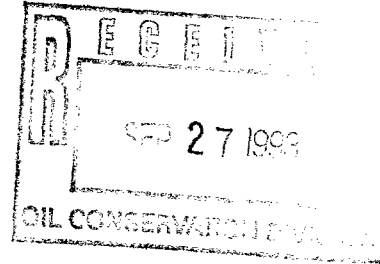
W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 27, 1993

HAND DELIVERED



Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail, Room 219  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of McKay Oil Corporation  
for Compulsory Pooling  
Eddy County, New Mexico  
Charolette McKay Federal Com. #3 Well

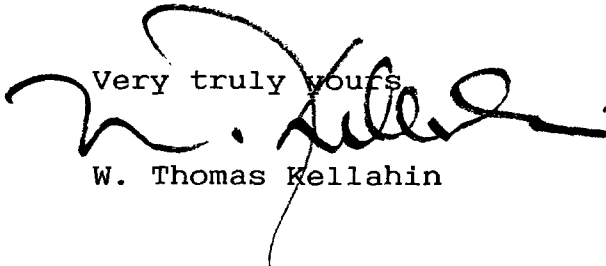
Dear Mr. LeMay:

On behalf of McKay Oil Corporation, please find enclosed our application for compulsory pooling which we request be set for hearing on the next available Examiner's docket now scheduled for October 21, 1993. Also enclosed is our suggested advertisement for the NMOCD docket.

By copy of this letter, including the application, to all affected parties, we are notifying them by certified mail-return receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application and that failure to appear at the hearing may preclude them from any involvement in this case at a later date.

Oil Conservation Division  
September 27, 1993  
Page 2.

Pursuant to the Division's Memorandum 2-90, all parties are hereby informed that if they appear in this case, than they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 pm on Friday, October 15, 1993, with a copy delivered to the undersigned.

Very truly yours,  
  
W. Thomas Kellahin

Enclosure

cc: McKay Oil Corporation

BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED  
to: Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Attn: Mr. Randy Patterson

SUGGESTED ADVERTISEMENT

CASE 10852: Application of McKay Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 25, T20S, R24E, NMPM, forming a standard 320-acre spacing and proration unit for the Wolfcamp production from said well. Said unit is to be dedicated to its re-entry of its Charolette McKay Federal Com #3 Well which is located in Unit C of said Section 25. Applicant further proposes that it be designated the operator and that the Division consider the costs of reentering and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision and a charge for risk involved in reentering and completing said well. Said Well is located approximately 20 miles southwest from Artesia, New Mexico.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

October 26, 1993

RE: CASE NO. 10852  
Order No. R-10003

Mr. Thomas Kellahin  
Kellahin and Kellahin  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene".

Florene Davidson  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD   x    
Artesia OCD   x    
Aztec OCD             
Steve Keene