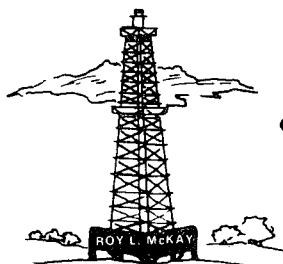


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT HOME OFFICE, P.O. Box 2014 ROSWELL, N.M. 88202 • TELEPHONE 505/623-4735

(DFW) OFFICE FIRST CITY TOWER, SUITE 590

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



OIL
&
GAS

JAN - 2 1987

December 31, 1986

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

Attention: Dave Catanach

RE: L.L. & E. Fed. #4
W/2 Sec. 1-6S-22E
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the W/2 of Section 1, Township 6 South, Range 22 East, NMPM. (See Attachment "A") Due to variation in legal subdivision of the U.S. Public Land Surveys, McKay Oil is requesting a Non-Standard Gas Unit of 131.20 acres.

The well has been staked at 1980' feet from the West line and 660' feet from the South line, which has been approved by the BLM and the Eastern New Mexico Archological Service. (See Attachment " B")

Therefore, pursuant to Rule 104 D (II) of the State of New Mexico Oil Conservation Division Rules and Regulations, McKay Oil Corporation request that this Non-Standard Gas Unit be approved.

Thank you for your cooperation and assistance in this matter.

Very truly yours,

MCKAY OIL CORPORATION

James L. Schultz
James L. Schultz
Contracts & Land

enclosures

[illegible]

Attachment A

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

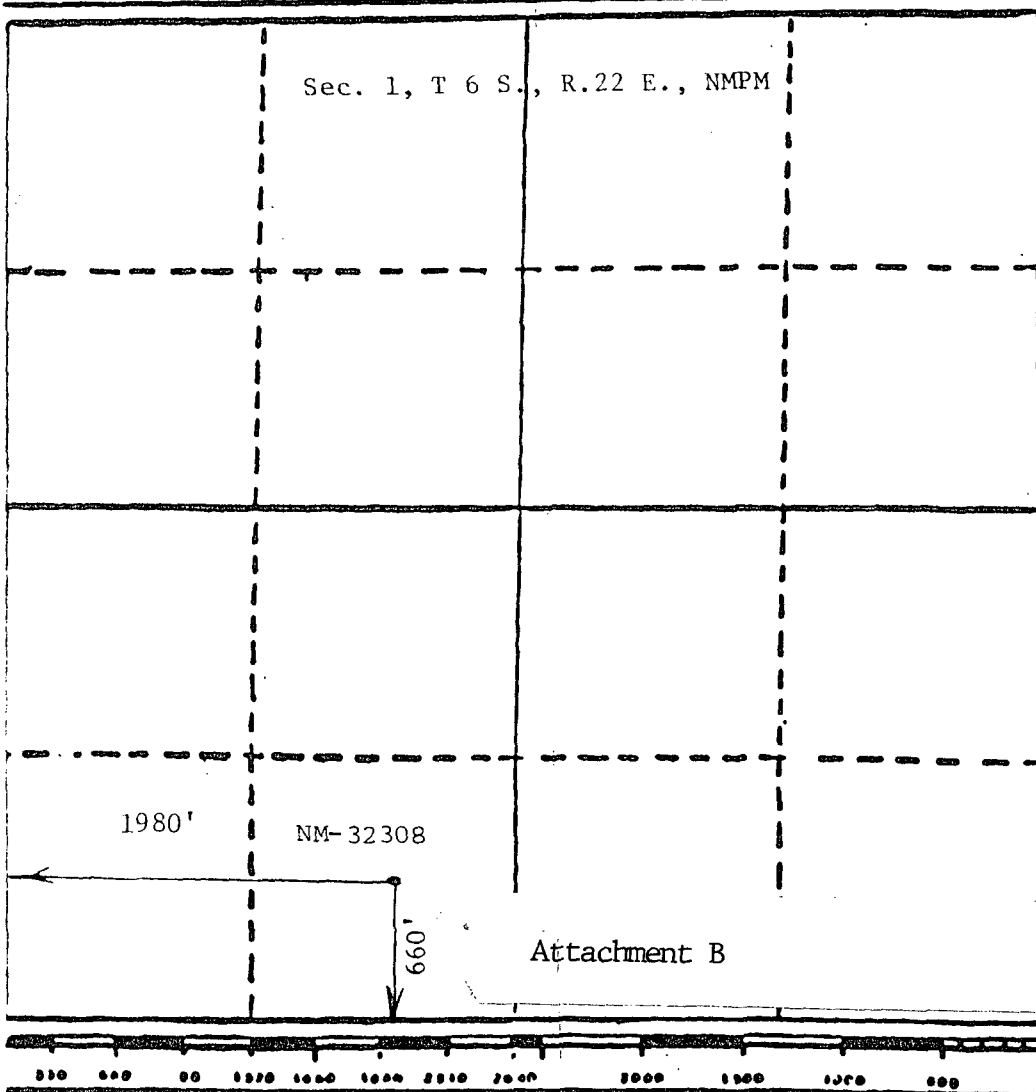
Operator McKay Oil Corp.		Lease L.L.&E. Federal		Well No. 4
Unit Section N 1	Township 6 South	Range 22 East	County Chaves	
Actual Well Location of Well				
1980	feet from the West line and	660	feet from the South line	
Ground Level Elev. 4217	Producing Formation ABO	Pool W. Pecos Slope Abo	Dedicated Acreage 131.20	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plot 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 is "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
12-12-86

I hereby certify that the well location shown on this plot 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 Surveyed
December 3, 1986

Investigated (Indicate by Initials)
and/or Land Comparison

John D. Jaques, Jr. E. & L.S.
6290



TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Received: Jan. 2, 1987

Release Feb. 2, 1987

Date _____

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

McKay Oil Corporation
P.O. Box 2014
Roswell, New Mexico 88202

Attention: James L. Schultz

Administrative Order NSP- 1504

Gentlemen:

Reference is made to your application for a
131.20 ^{more or less} ~~acre~~ ^{gas} non-standard proration unit consisting of the
following acreage in the West Pecos Slope Abo Gas Pool:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Irregular Section 1: Lots 3 and 4 and the 5/8 50/4

It is my understanding that this unit is to be
dedicated to your L.B. & E. Federal Well No. 4 ^{to be drilled} ~~located at a standard gas well location~~
660 feet from the South line and 1980 feet from the ^{West line} of said Section 1.

By authority granted me under the provisions of ~~Division General Rule 104. D. II.~~ ^{gas}, the above non-standard proration unit is
hereby approved.

Sincerely,

William J. LeMay
~~R. L. STAMETS~~, DIRECTOR
WJL/lms
RLS/DC/dr

cc: Oil Conservation Division - Artesia

U.S. B.L.M. Roswell