

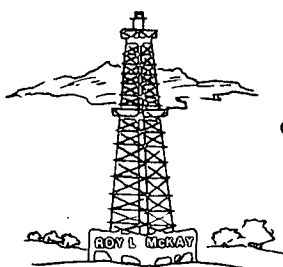
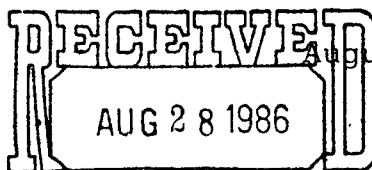
McKay Oil Corporation

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

August 26, 1986

NSI-2285
RULE-104 F(1)

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

Remmele Federal Com No. 8
West Pecos Slope Abs Gas Pool
160 Acres dedicated - NE 1/4 Section 24

Attention: Dave Catanach

RE: Well Location

NE/4 Sec. 24-6S-22E

Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the NE/4 of Section 24, Township 6 South, Range 22 East, NMPM. (See Attachment "A") Due to topography and geological problems, McKay Oil is requesting an unorthodox location.

The well was originally staked at 1980' feet from the North line and 660' feet from the East line. Due to the terrain, the BLM would not approve this location or any other normal location within this particular drilling spacing unit. (See Attachment "B")

The southeastern quarter of this quarter section was chosen because of geological data on wells to the South and East. Not much is known about the area to the North and West. 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 leased to McKay Oil Corporation. (See Attachment "A")

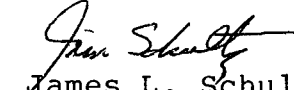
Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location located at 585' feet from the East line and 1905' feet from the North line Section 24, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and the Eastern New Mexico Archological Service.

page 2 of 2
O.C.D.
August 26, 1986

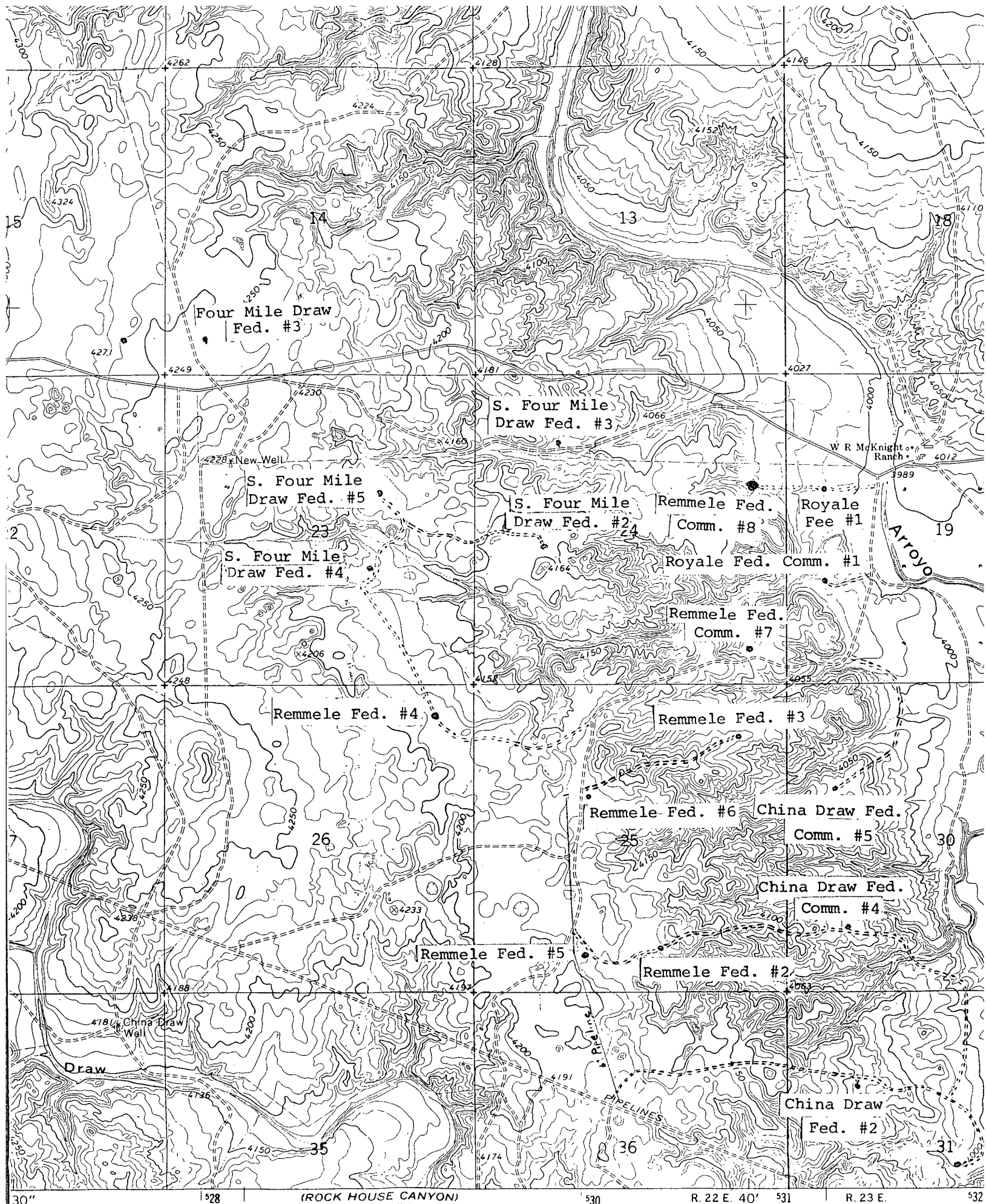
McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

Very truly yours,

McKAY OIL CORPORATION


James L. Schultz
Contracts & Land

Attachements



30" 1528 (ROCK HOUSE CANYON) 5051 II NW 530 R. 22 E. 40' 531 R. 23 E. 532

SCALE 1:24 000

Attachment B

36193

36192

32323

14

13

18

"Kumile Draw-Fed."

U.S.

U.S.

McKay Oil
Memorial Expl. et al

5.1.91
36194

McKay Oil
Memorial Expl. et al

5.1.91
36194

McKay
Oil

Memorial
Expl. et al

5.1.91
36195

Removal
Fed. Comm

Memorial Expl.
McKay Oil et al

HBP

32324

Mesa

MTS. V2

11.26.82

23

24

19

Ruby

Kennon

Ray

UP-304

U.S.

U.S.

McKay Oil
Memorial Expl. et al

11.1.88

U.S. 32351

W.R.M.

Knight

Ruby

Kennon

Ray

UP-304

McKay Oil
Memorial Expl.

5.1.91

36195

McKay Oil
Memorial Expl. et al

5.1.91

36195

Memorial Expl.
McKay Oil et al

11.1.88

32325

McKay Oil
Trans-

west'n

Gas, et al

5.1.91

36195

Stevens Oil
Mitchell Ener. et al

Kio Petro. et al 3125%

3.27.86

26

25

30

"Remmelz-Fed."

(McKay Oil)
Memorial Expl. et al

5.1.91

36195

(MEG Pet) 5
Sun

U.S. 3575

J.M.
McKnight

et al

Q4

McKay

China

Draw

Can

Memorial Expl.
McKay Oil et al

11.1.88

32325

31

0

35

36

McKay Oil
Memorial Expl. et al

5.1.91

36196

Gladys

E. J.M.

McKnight

et al

Stevens Oper.

McKnight

TO 3161

"China Draw-St."

State

"China Draw-Fed."

U.S.

U.S.

