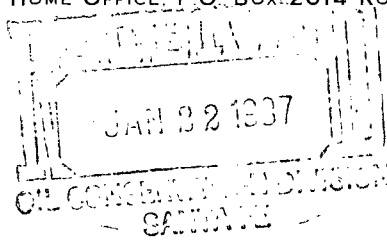
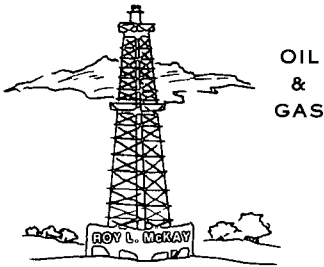


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

HOME OFFICE, P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505/623-4735



January 19, 1987

NSL-2320
RULE-104F(E)

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

WEST PICOS SLOPE ABO GAI POOL
160 Acres ded.
NW/4 Section 34

Attention: Dave Catanach

Re: Eppers Federal #2
NW/4, Sec. 34, T5S, R21E
Chaves County, N.M.

Gentlemen:

Location on next page →

McKay Oil Corporation desires to drill a location in the NW/4, Section 34, Township 5 South, Range 21 East, NMPM. (See Attachment 'A') Due to topography and geological problems, McKay Oil is requesting an unorthodox status.

The well was originally staked at 660 feet from the North line and 660 feet from the West 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 NW/4 of this quarter section was chosen because of geological data on wells to the south. Further, any location in this quarter section that would be feasible to drill would have to be a non-standard location. Therefore, it is our opinion that this location would be the best economical and productive location to drill. (See Attachment 'C')

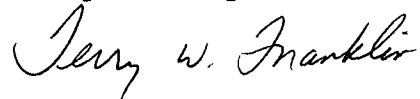
All minerals surrounding this proration, with the exception of a 40 acre block to the East are lease to McKay Oil Corporation. The minerals to the East (40 acre block), are leased to Mesa Petroleum. A notification letter to Mesa Petroleum is being mailed on this date in regards to the unorthodox location. Written confirmation of approval from Mesa to McKay Oil was requested as soon as possible. A copy of the letter will be forwarded to you upon our receipt.

page 2 of 2
O.C.D.
January 19, 1987

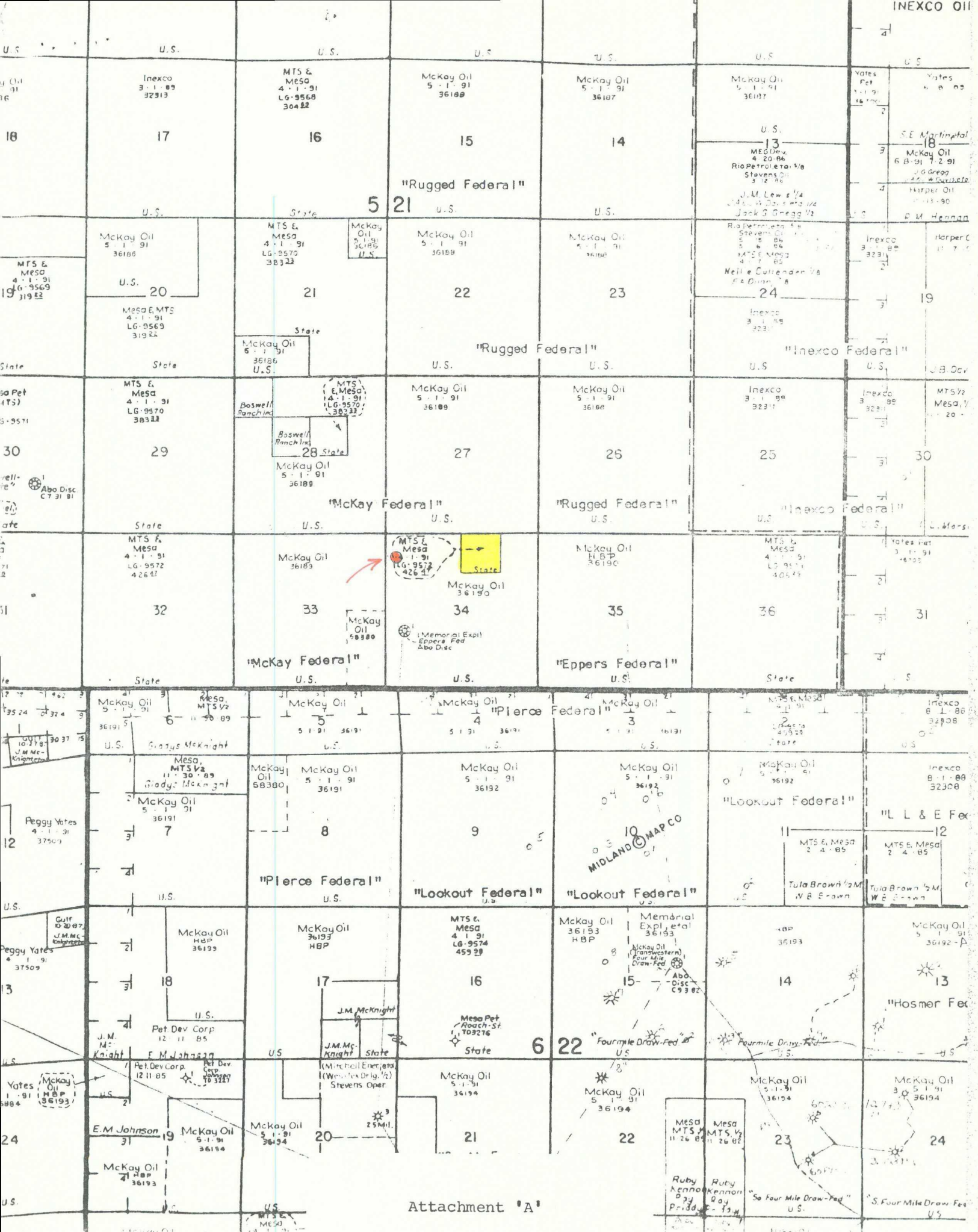
Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 773 feet from the North line and 330 feet from the West line, Section 34, Township 5 South, Range 21 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

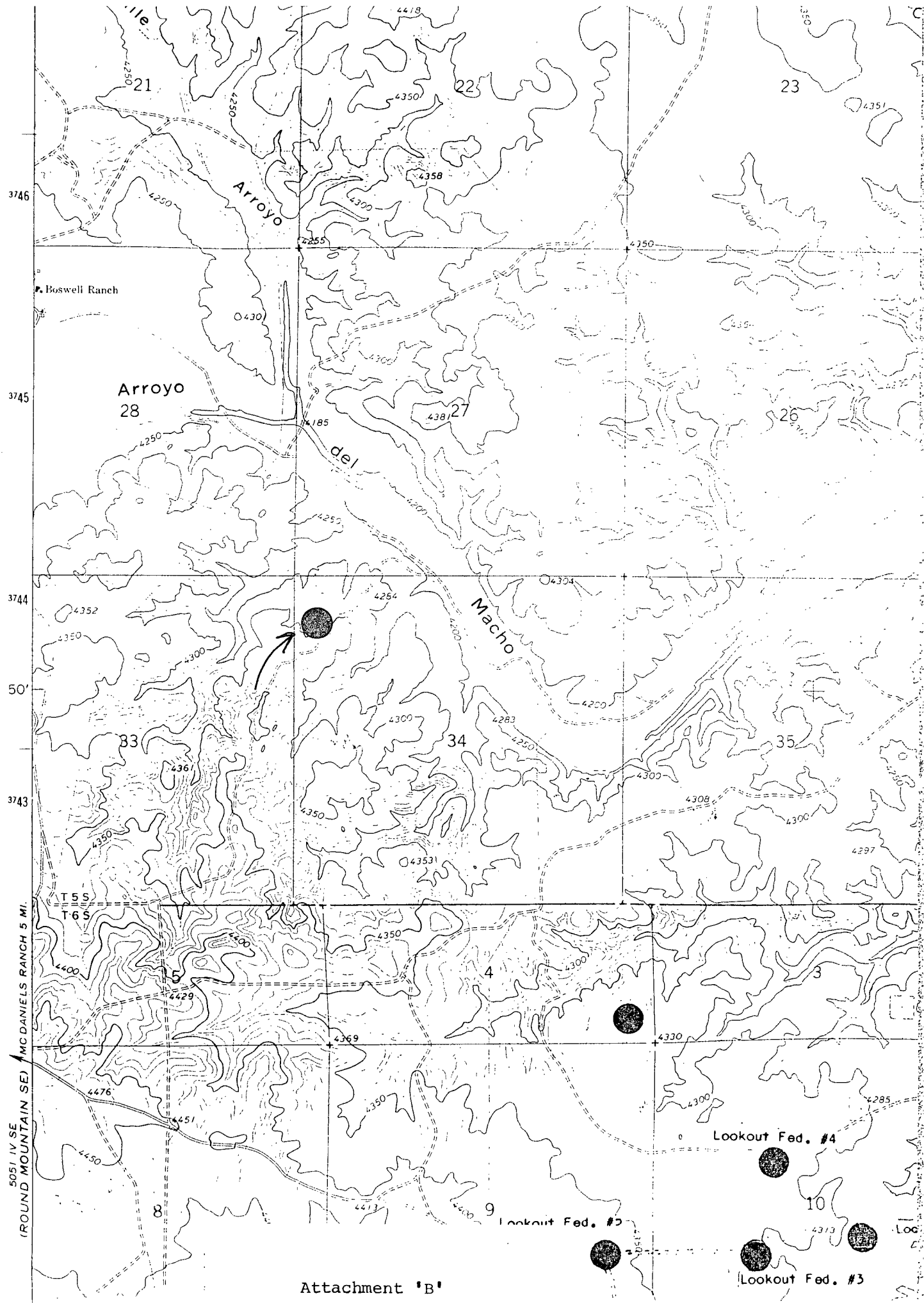
McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

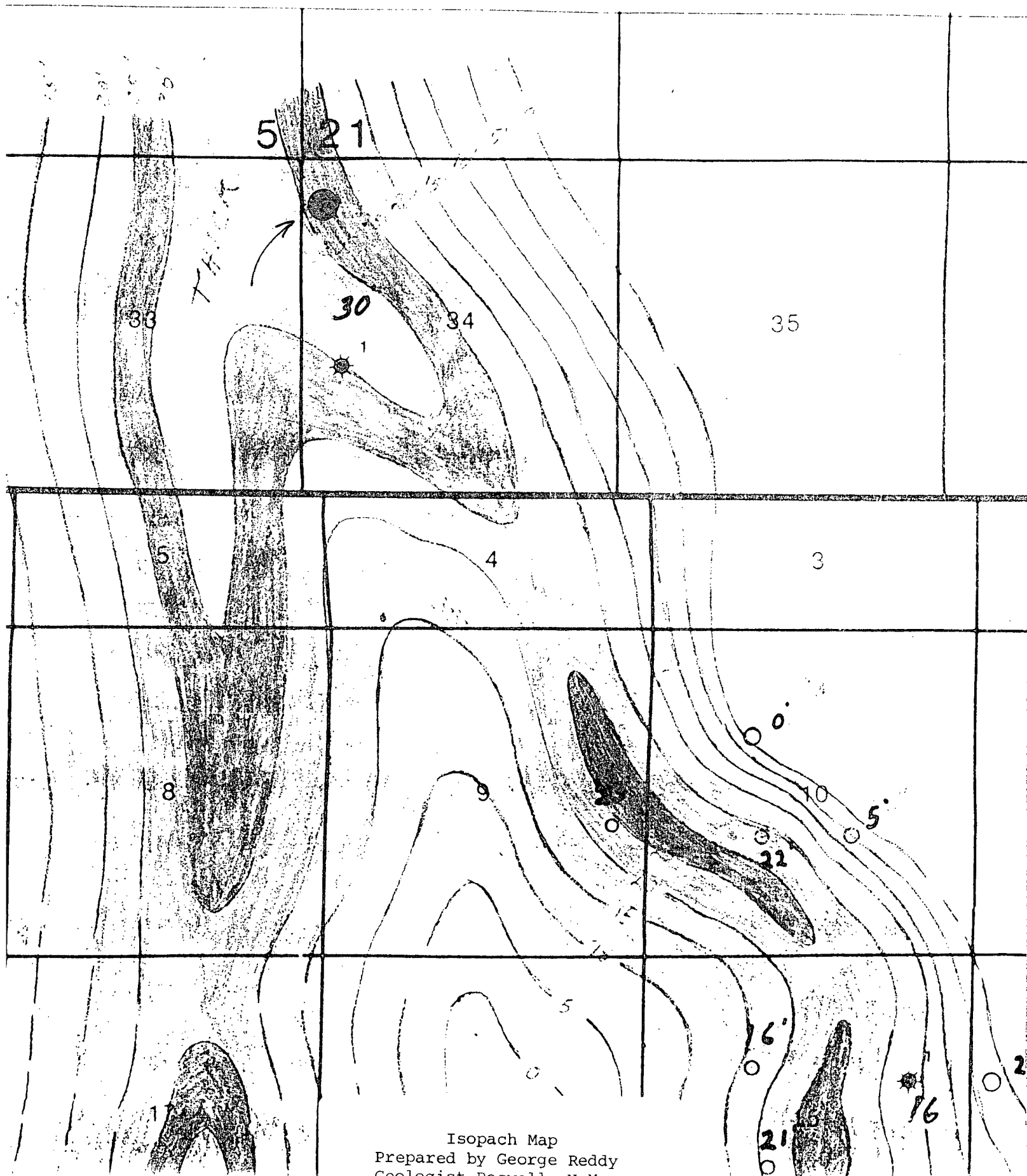
Sincerely,
McKay Oil Corporation

A handwritten signature in cursive script that reads "Terry W. Franklin".

Terry W. Franklin
Agent







Isopach Map
Prepared by George Reddy
Geologist-Roswell, N.M.

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

Operator McKay Oil Corporation			Lease Eppers Federal			Well No. #2		
Unit Letter D	Section 34	Township 5 South	Range 21 East	County Chaves				
Actual Footage Location of Well: 330 feet from the West line and 773 feet from the North line								
Ground Level Elev. 4303	Producing Formation Abo			Pool W. Pecos Slope Abo			Dedicated Acres 160	

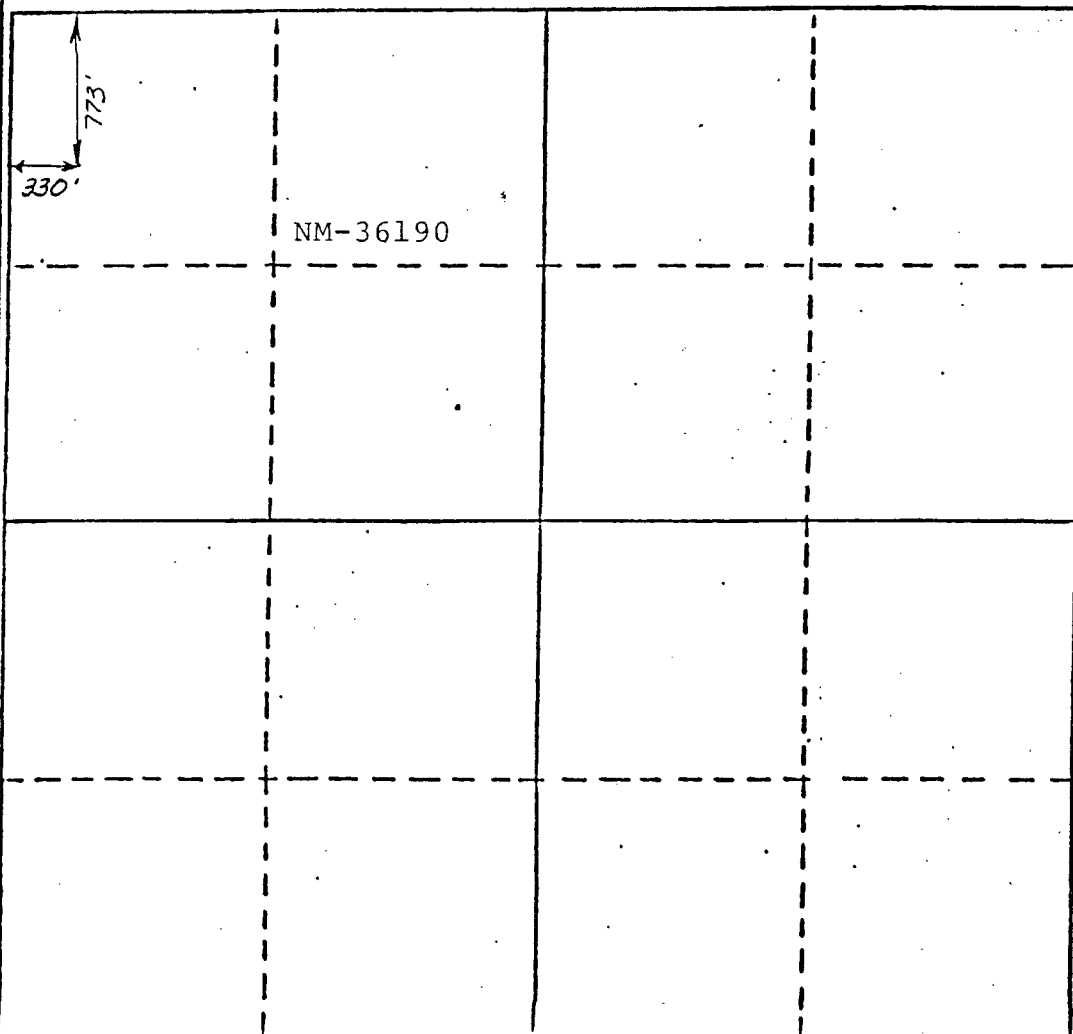
1. Outline the acreage dedicated to the subject well by colored pencil or ballpoint marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

RECEIVED BY
JAN -7 1987
ARTESIA, OFFICE

☐ 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
gent
Company
McKay Oil Corp.
Date
12-23-86

I hereby certify that the well location shown on this plat 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 19 1986
Registered Professional Engineer and/or Land Surveyor
John D. Jaquess, P.E. & L.S.
Certificate No.
6290