

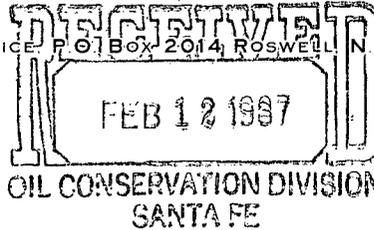
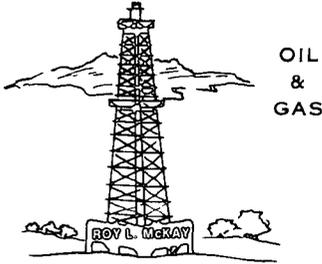
Release Immediately
No Attach

By Dec

McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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



February 9, 1987

NSL-2321
RULE-104F(E)

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

Attention: Dave Catanach

West Pecos Slope Abo Gas Pool
160 Acre ded.
NE1/4 Section 33

Re: McKay Federal #2
NE/4, Sec. 33, T5S, R21E
Chaves County, N.M.

Gentlemen:

McKay Oil Corporation desires to drill a Federal location in the NE/4, Sec. 33, 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 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 SE/4 of this quarter section was chosen because of geological data or trends 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')

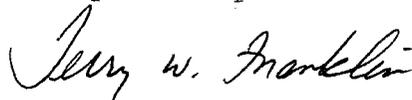
All minerals surrounding this proration unit are leased to McKay Oil Corporation.

Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 2310 feet from the North line and 660 feet from the East line, Sec. 33, Township 5 South, Range 21 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

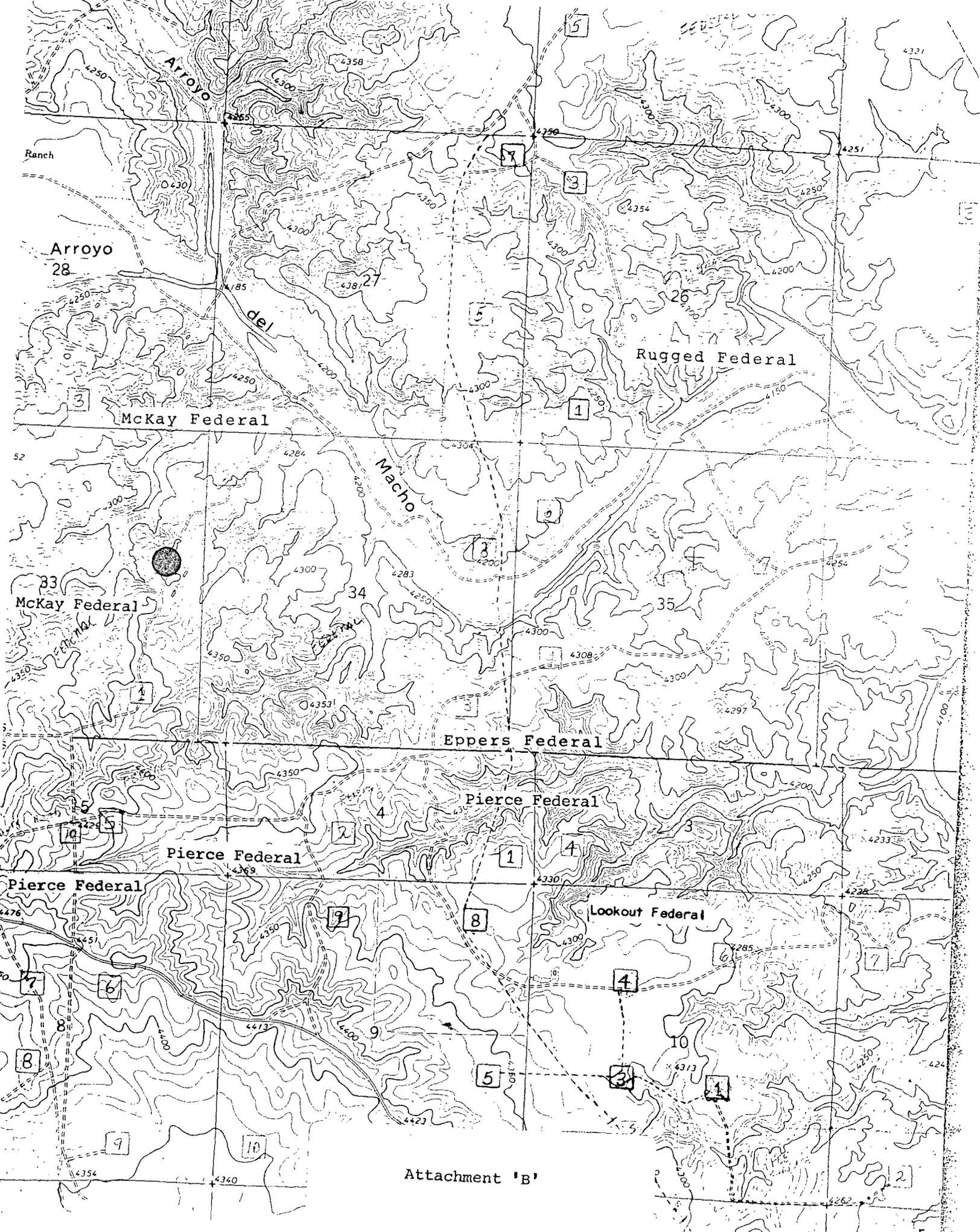
page 2 of 2
O.C.D.
February 9, 1987

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

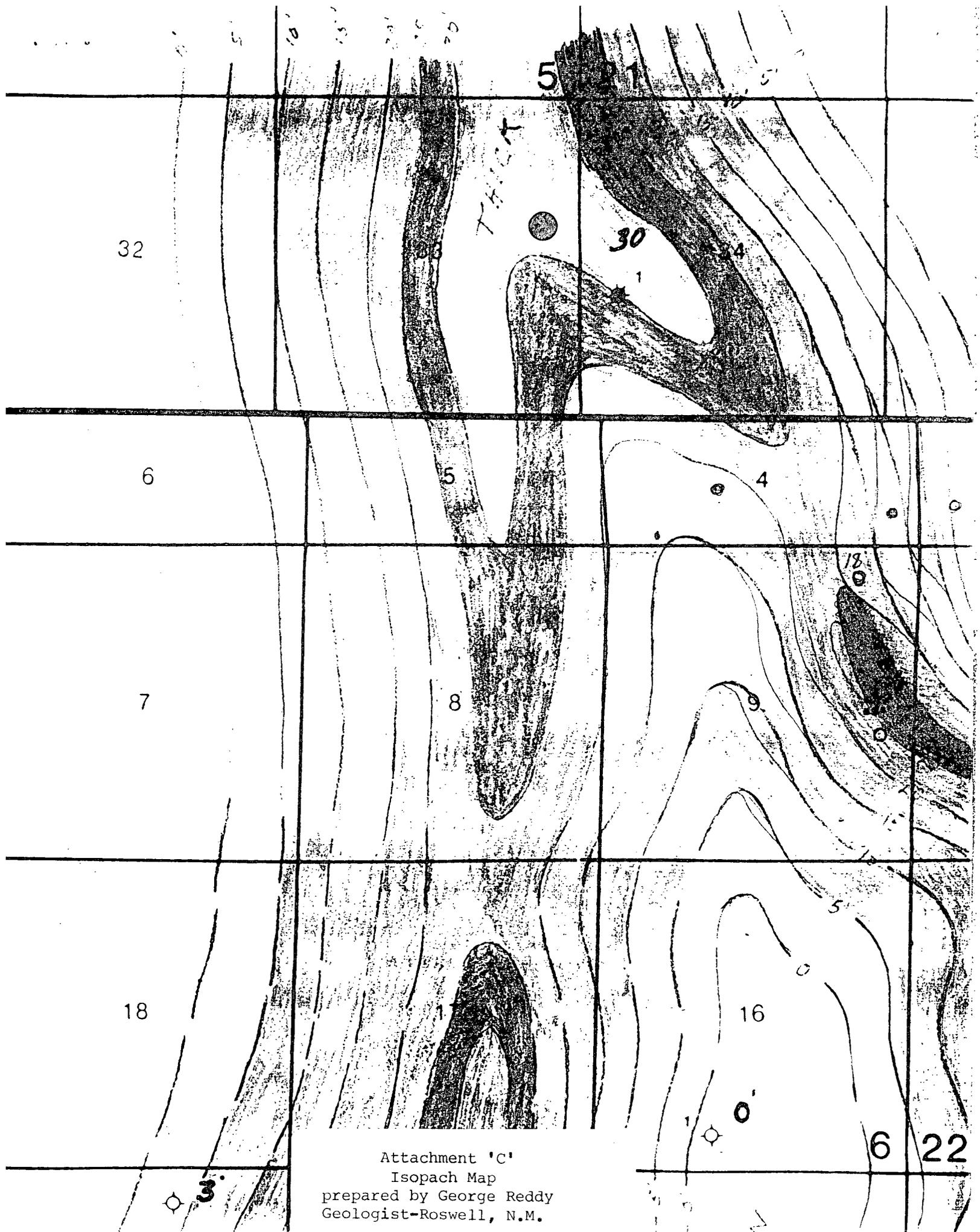
Sincerely,
McKay Oil Corporation

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

Terry W. Franklin
Agent



Attachment 'B'



Attachment 'C'
Isopach Map
prepared by George Reddy
Geologist-Roswell, N.M.

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

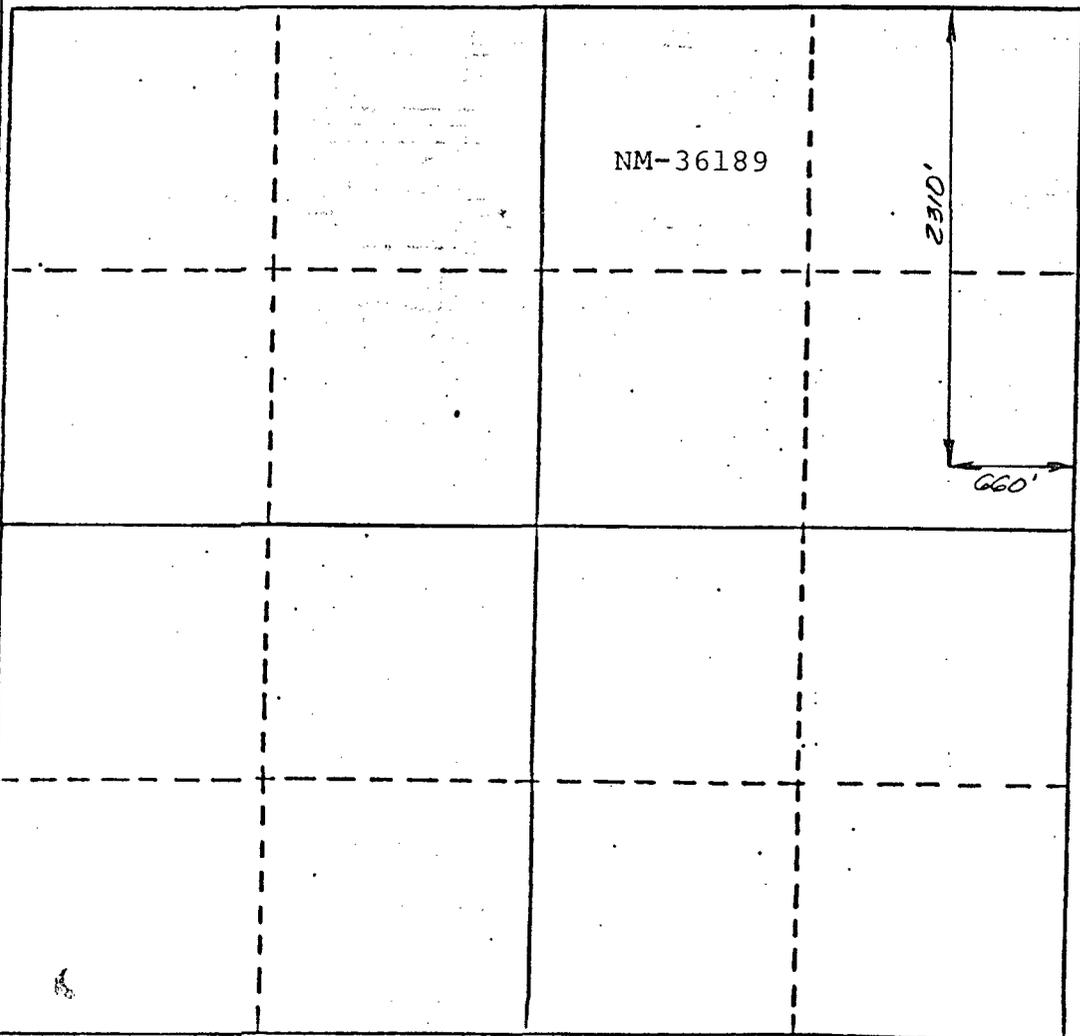
Operator McKay Oil Corporation ✓		Lease McKay Federal		Well No. #2	
Unit Letter H	Section 33	Township 5 South	Range 21 East	County Chaves	
Actual Footage Location of Wells 2310 feet from the North line and 660 feet from the East line					
Ground Level Elev. 4354	Producing Formation Abo	Pool W. Pecos Slope Abo		Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?
 - Yes No If answer is "yes" type of consolidation _____

RECEIVED BY
JAN -7 1987
 O. C. D.
 ARTESIA, OFFICE

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
12-24-86

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. Jaques, P.E. & L.S.

Certificate No. 6290

