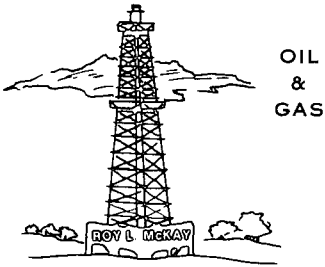


McKay Oil Corporation

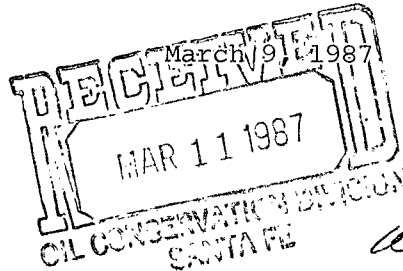
ROY L. MCKAY, PRESIDENT

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



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

Attention: Dave Catanach



NSL-2328
RULE-104 F(E)

and Pecos Slope Abo Gas
Pool
160 Acres ded,
NE1/4, Sec 27

Re: Remmele Federal Com. #9
NE/4, Sec. 27, T6S, R22E
Chaves County, N.M.
W. Pecos Slope-Abo

Gentlemen:

McKay Oil Corporation desires to drill a Federal location in the NE/4 of Section 27, Township 6 South, Range 22 East, NMPM. (See Attachment 'A') Due to the terrain and geological problems, McKay Oil is requesting an unorthodox status.

The well was originally staked at 660 feet from the North line and 1980 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 NW/4 of this quarter section was chosen because of geological data on wells to the South and West. Any other locations within this quarter section would have to be an unorthodox locations. Therefore, it is our opinion that this location would be the only economical and productive location to drill. (See Attachment 'C')

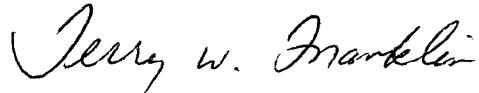
All minerals surrounding this proration unit are leased or 'farmed out' to McKay Oil Corporation. (See Attachment 'A')

Therefore, McKay Oil Corporation requests that the O.C.D. approve the unorthodox location at 560 feet from the North line and 1880 feet from the East line, Section 27, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

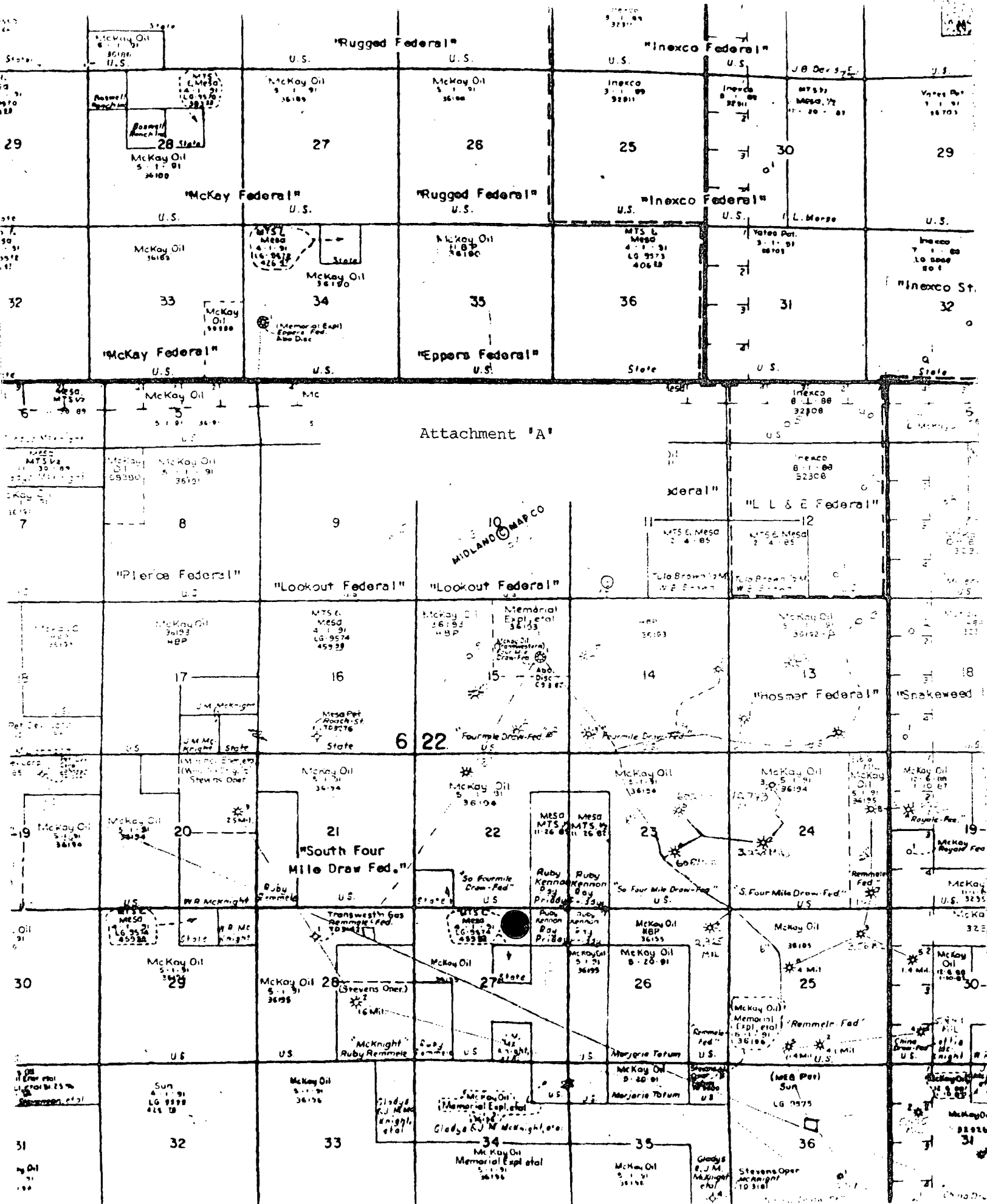
page 2 of 2
O.C.D.
March 9, 1987

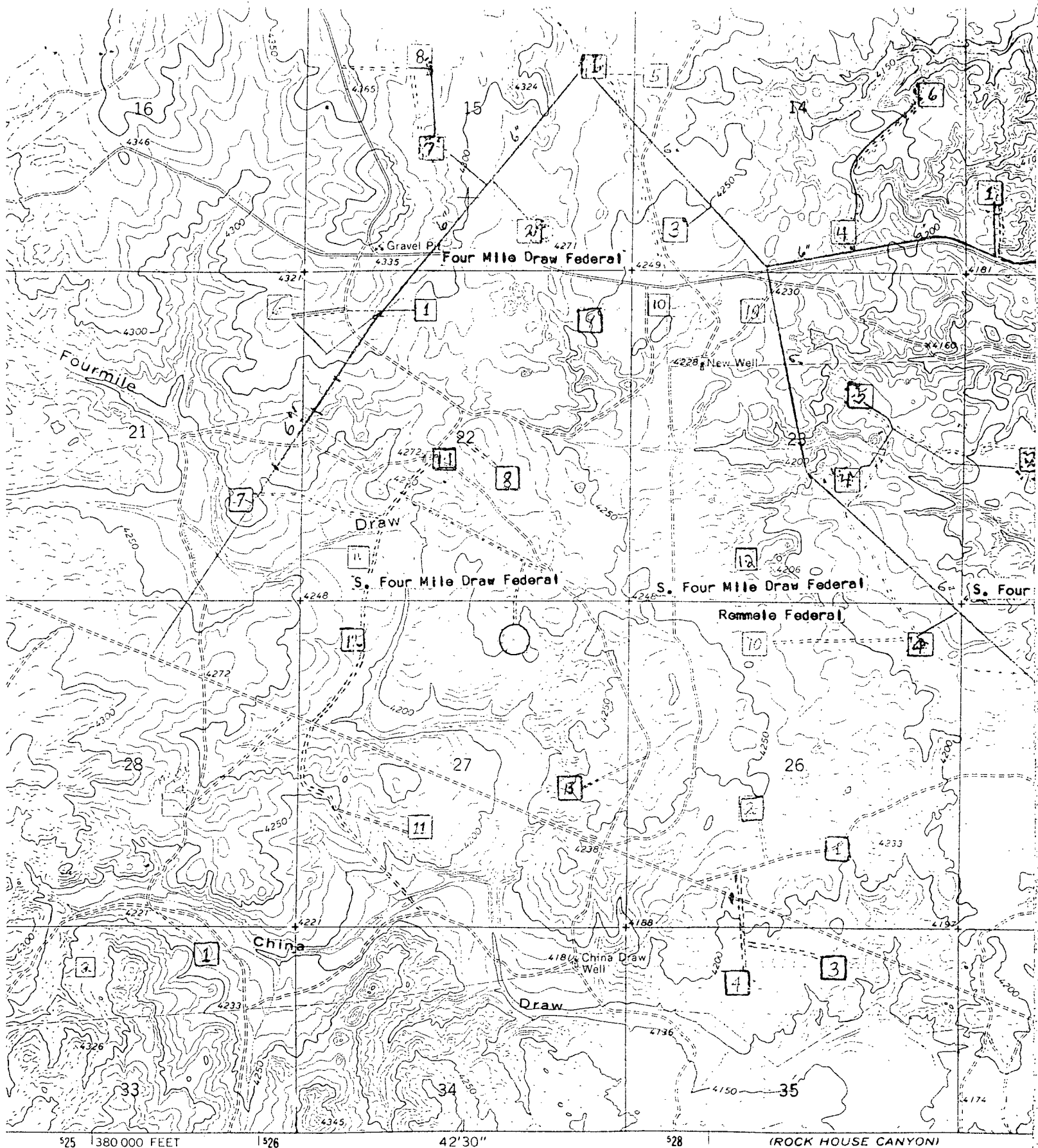
McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

Sincerely,
McKay Oil Corporation

A handwritten signature in cursive script that reads "Terry W. Franklin". The signature is written in dark ink and is positioned above the printed name and title.

Terry W. Franklin
Agent

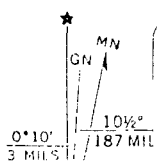




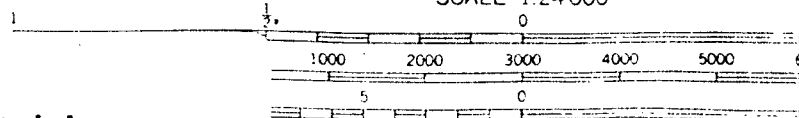
ological Survey

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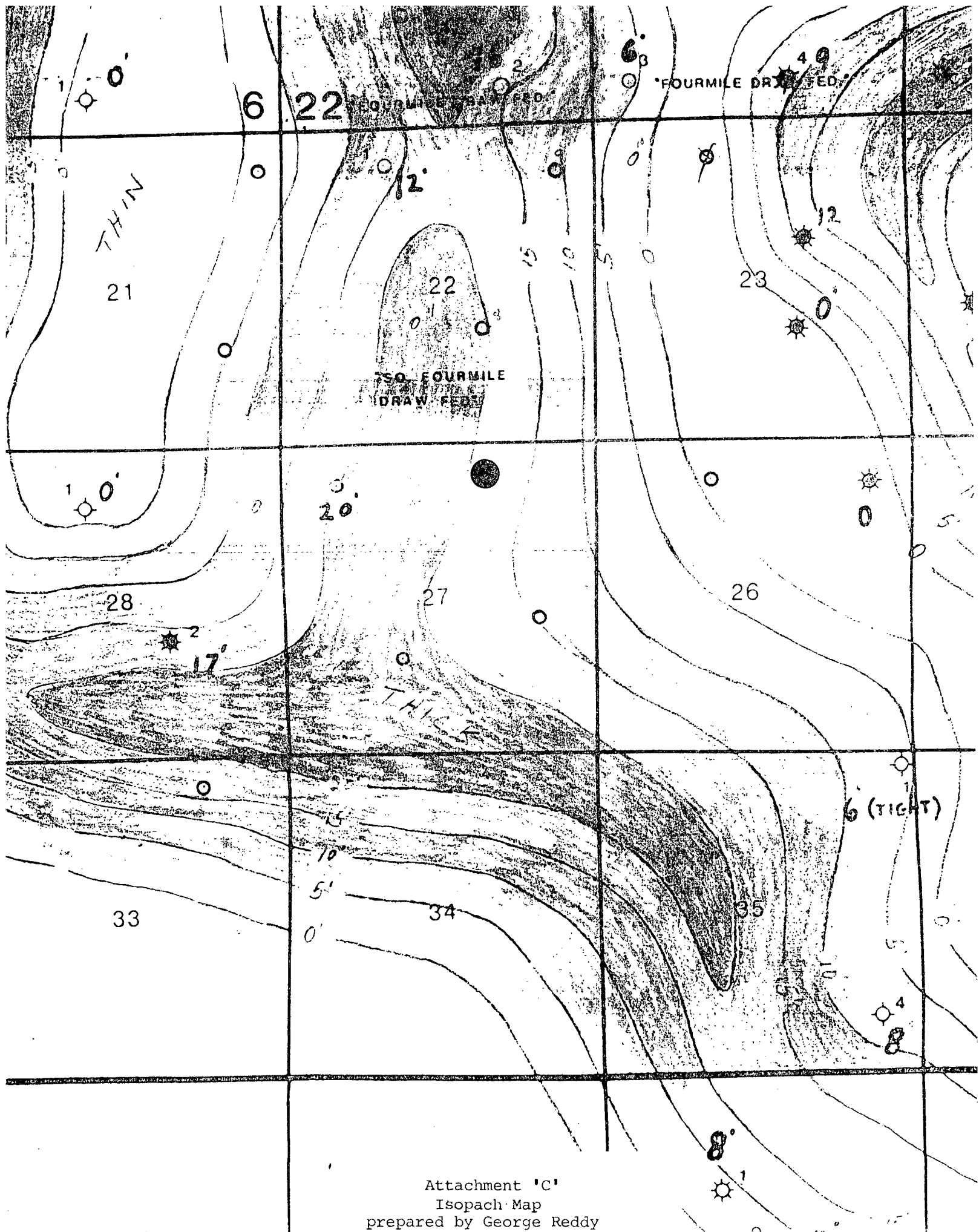
lon
meter



Attachment 'B'



CONTOUR INTERVAL 10 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929



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