

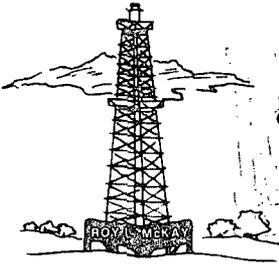
McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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



OIL
&
GAS

December 31, 1986

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

Attention: Dave Catanach

RE: Miller Federal #5
W/2 Sec. 6-6S-23E
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the W/2 of Section 6, Township 6 South, Range 23 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 ~~135.22~~ acres.

134.22

The well has been staked at 660' 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

Jim Schultz
James L. Schultz
Contracts & Land

enclosures

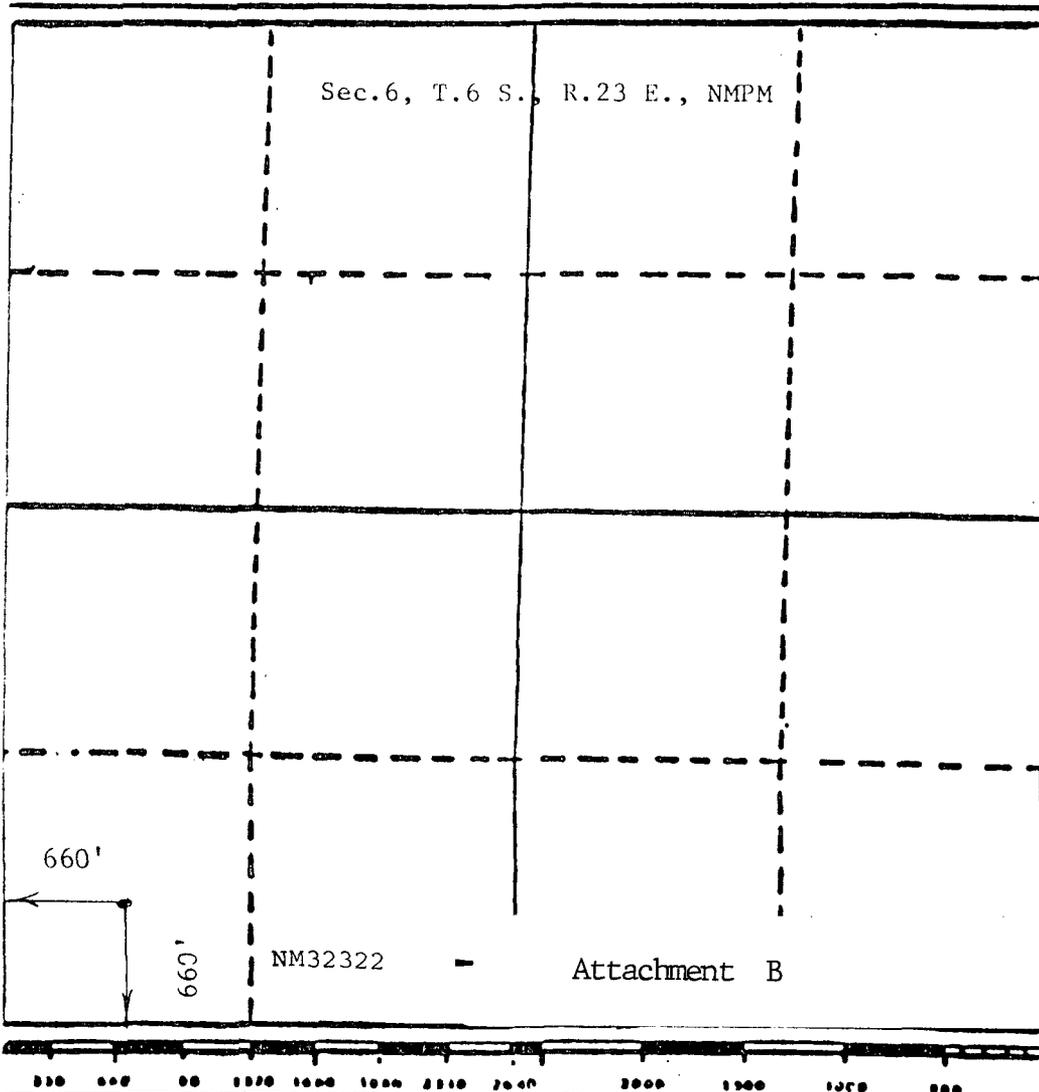
All distances must be from the outer boundaries of the Section.

Operator McKay Oil Corp.		Lessee Miller Federal		Well No. #5
Unit Listed M	Section 6	Township 6 South	Range 23 East	County Chaves
Actual Well Location of Well				
660	feet from the	South	line and	660
			feet from the	West
Ground Level Elev. 4224	Producing Formation ABO		Pool W. Pecos Slope ABO	Dedicated Acreage 135.22

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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	12-11-86
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 3, 1986
John D. Jaques, R.E. & L.S.	
Certificate No.	6290