

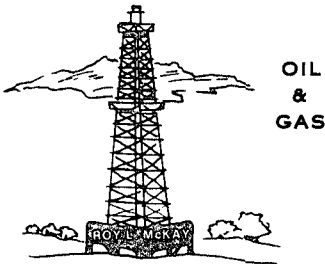
McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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

(IDFW) OFFICE FIRST CITY TOWER, SUITE 590

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



December 31, 1986

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

Attention: Dave Catanach

RE: Pierce Federal #3
E/2 Sec. 3-6S-22E
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the E/2 of Section 3, Township 6 South, Range 22 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 134.29 acres.

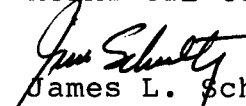
The well has been staked at 1297' feet from the East line and 511' feet from the South line, which has been approved by the BLM and the Eastern New Mexico Archological Service. (See Attachment " B")

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


James L. Schultz
Contracts & Land

enclosures

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

Operator McKay Oil Corporation			Lease Pierce Federal		Well No. 3
Unit Letter P	Section 3	Township 6 South	Range 22 East	County Chaves	
Actual Footage Location of Well:					
1297 feet from the East line and		511 feet from the South line			
Ground Level Elev. 4276	Producing Formation ABO	Pool W. Pecos Slope Abo		Dedicated Acreage: 134.29 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 _____

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.

Attachment B

NM-36191

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
12-18-86

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.

December 15, 1986
Date Surveyed
John D. Jaques, P.E. & L.S.
Registered Professional Engineer and/or Land Surveyor
#6290
Certificate No.

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

February 2, 1987



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

McKay Oil Corporation
P O. Box 2014
Roswell, New Mexico 88202

Attn: James L. Schultz

Re: Application for Non-Standard
Gas Proration Unit Pierce Federal
Wells Nos. 1 and 3

Dear Mr. Schultz:

Per your applications filed January 2, 1987 on the two subject wells. Both locations are non-standard pursuant to Division General Rule 104.c.II.(a), please submit the required information to qualify these wells as unorthodox pursuant to 104.F.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Engineer

MES/et