

MAILING ADDRESS: P.O. Box 2014 Roswell, N.M. 88202 • TELEPHONE 505 / 623 - 4735

STREET ADDRESS: ONE McKay Place Roswell, N.M. 88201 • Fax No. 505 / 624 - 2202

February 24, 2006

FEB 2.7 2006 OCU-ANTESIA

Oil Conservation Division Mr. Phil Hawkins 1304 W. Grand Artesia, NM 88210

RE:

McKay Oil Corporation

Notice of Violation – 12/30/05

Communitization Agreement: extended term by production

Mr. Hawkins:

In reply to the attached Notice of Violation dated 12/30/05, please be advised of current status of the following well:

COTTONWOOD FED COM #1

30-005-62654-00-00

I-34-6S-26E

Shut In: April, 2004

Purpose: No pressure. Pull Tubing

<u>Current Status:</u> Work-over unit is in place this date, 2/24/06. Due to mechanical breakdown, will not be able to rig up work-over unit until Monday, 2/27/06.

Follow-up memo will be forwarded within 7 days as to work-over progress, and permanent well status determination

Please contact me if you have questions (623-4735).

Sharks

Sincerely,

Carol Shanks Production Analyst

/cls

Accepted for record

LEASES • PRODUCTION

INVESTMENTS