State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



February 18, 2016

McKay Oil & Gas, LLC PO Box 14738 Albuquerque, NM 87191-4738

Attn: Frank Welker

RE: APD Cancellation

Well: McKay #1R API 30-045-35349 UL N, S19 Twn29N R10W 381' FSL & 2255' FWL, San Juan County, New Mexico

Mr. Welker,

The Application to Drill for the above mentioned well is expired and has been cancelled effective 2-18-2016. If McKay intends to drill this well in the future a New APD will have to be filed and approved prior to drilling.

Thank you,

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Amy H. Vermersch Data Compliance Manager

cc: Well File