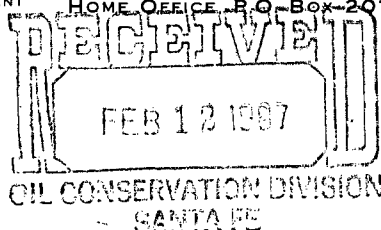
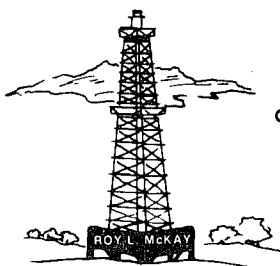


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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



February 9, 1987

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

Attention: Dave Catanach

Re: Pierce Federal #10
SW/4, Sec. 5, T6S, R22E
Chaves County, N.M.

Gentlemen:

McKay Oil Corporation desires to drill a Federal location in the SW/4, Sec. 5, Township 6 South, Range 22 East, NMPM. (See Attachment 'A') Due to topography and geological problems, McKay Oil is requesting an unorthodox status.

The well was originally staked at 1980 feet from the West line and 660 feet from the South 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 SE/4 of this quarter section was chosen because of geological data on wells to the South. Further, any location in this quarter section that would be feasible to drill would have to be a non-standard location. Therefore, it is our opinion that this location would be the best economical and productive location to drill. (See Attachment 'C')

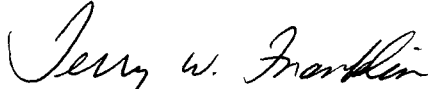
All minerals surrounding this proration unit, with the exception of to the North-west, West, and Southwest, are leased to McKay Oil Corporation. (See Attachment 'A') These minerals are leased to Mesa Petroleum. A registered letter to Mesa is being mailed on this date in regards to the unorthodox location. Written confirmation of approval from Mesa was requested.

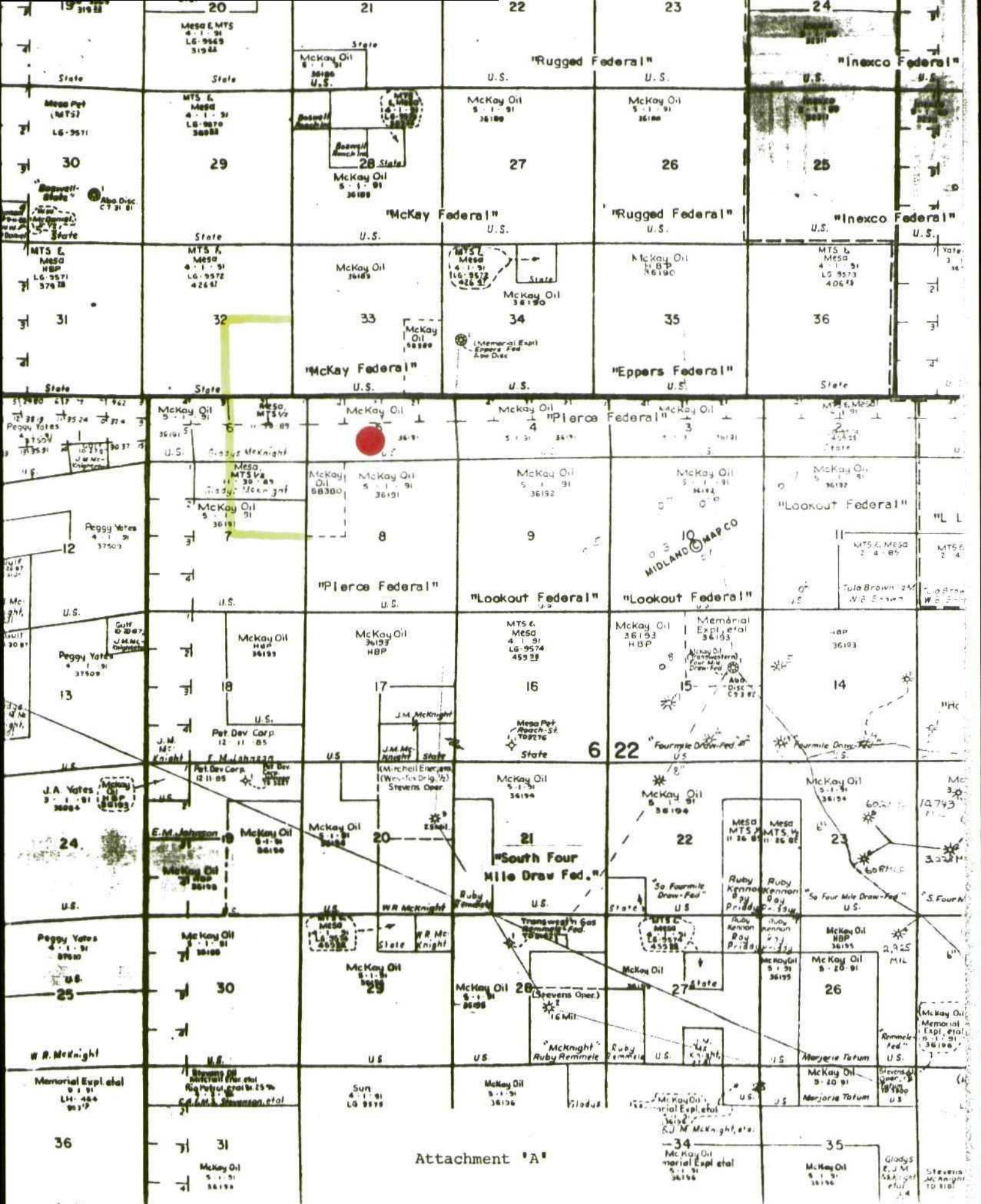
page 2 of 2
O.C.D.
February 9, 1987

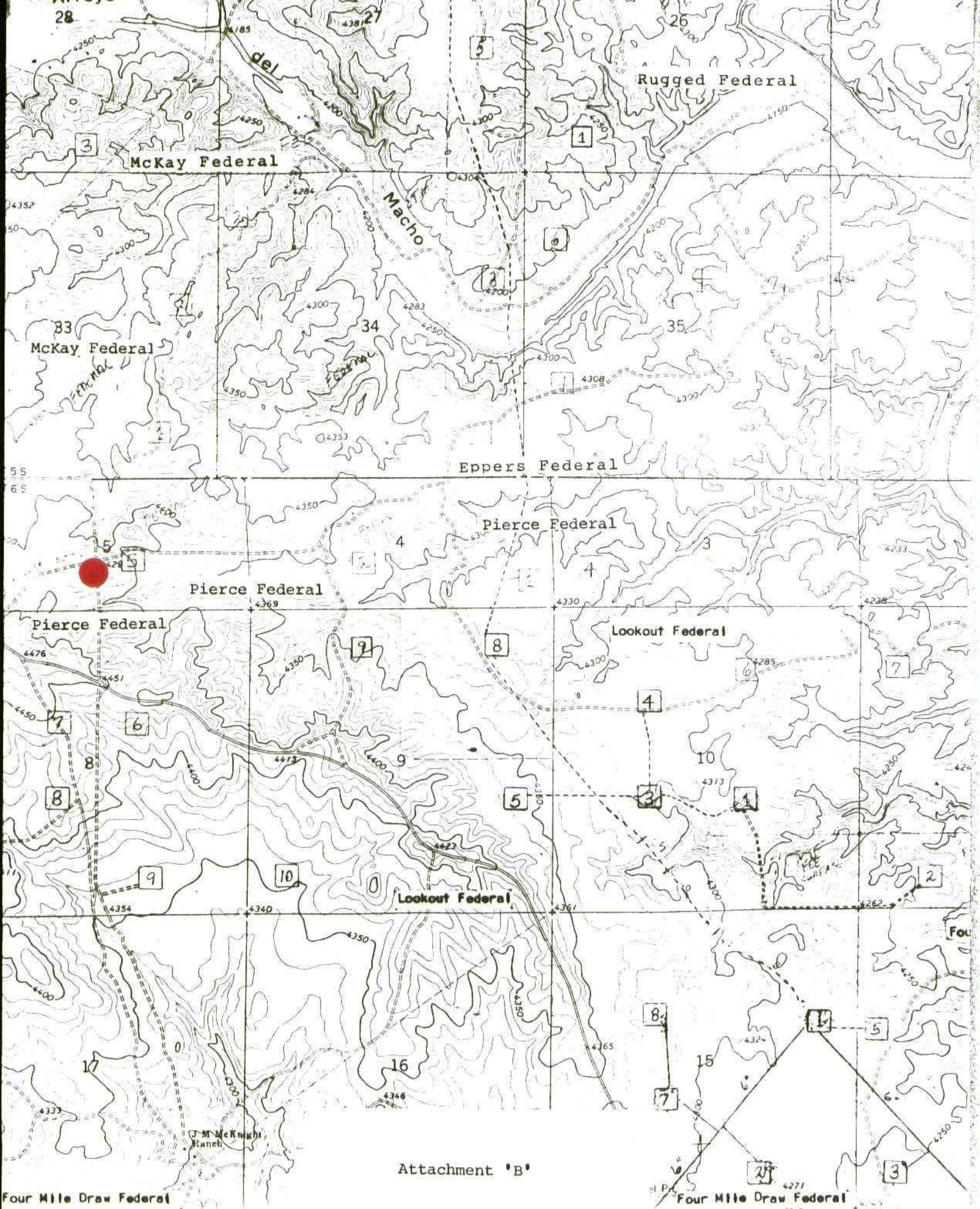
Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 2108 feet from the West line and ~~600~~⁶⁰⁰ feet from the South line, Sec. 5, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

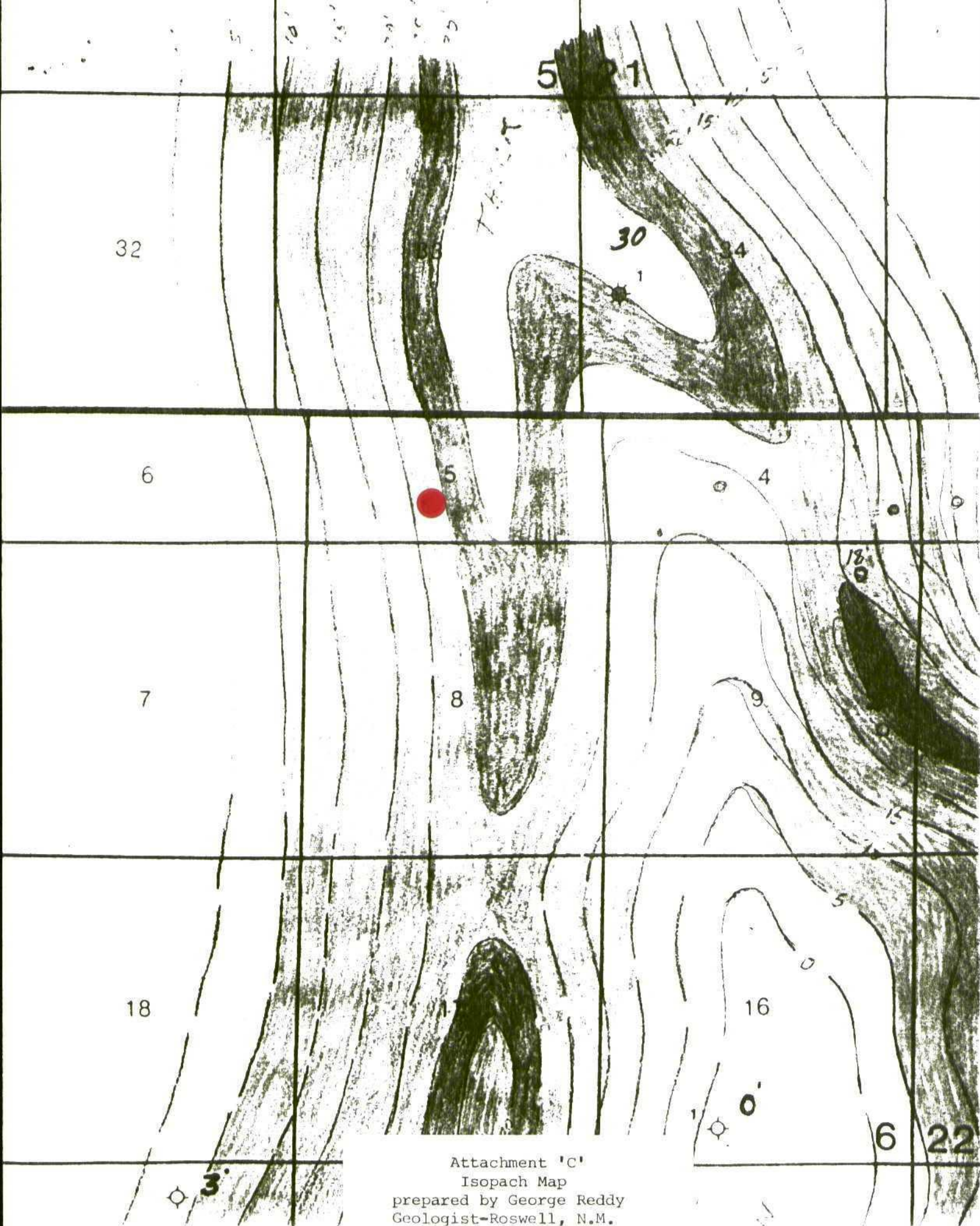
McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

Sincerely,
McKay Oil Corporation


Terry W. Franklin
Agent





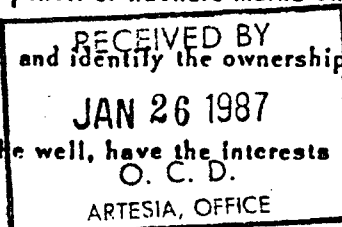


Attachment 'C'
Isopach Map
prepared by George Reddy
Geologist-Roswell, N.M.

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

Operator McKay Oil Corp. <input checked="" type="checkbox"/>		Lease Pierce Federal		Well No. #10
Unit Letter N	Section 5	Township 6 South	Range 22 East	County Chaves
Actual Postage Location of Well: 2108 feet from the West line and 600 feet from the South line				
Ground Level Elev. 4445	Producing Formation Abo	Pool W. Pecos Slope Abo	Dedicated Acreage: 140.97 Acres	

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
12-30-86

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.

JOHN D. JAQUES
Date Surveyed
December 29, 1986
Registered Professional Engineer and/or Land Surveyor
JOHN D. JAQUES
Certificate No. 8290

NM-36191

2108'

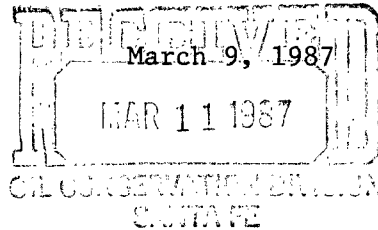
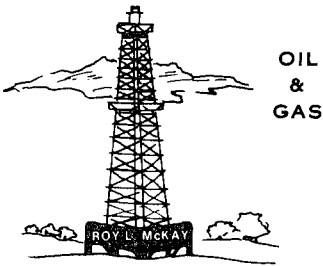
600'

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

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

Re: 'Non-Standard' Gas Proration Unit
Pierce Federal #10
Section 5, T6S, R22E
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation requests approval for a 'Non-Standard' Gas Proration Unit for the above referenced well consisting of 140.97 acres, more or less, situated in the West Pecos Slope Abo Gas Pool consisting of the following acreage:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Irregular Section 5: Lots 3 & 4 and the
S/2 SW/4

This application is being submitted under the provisions of Division General Rule 104.F.I.

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".

Terry W. Franklin
Agent

