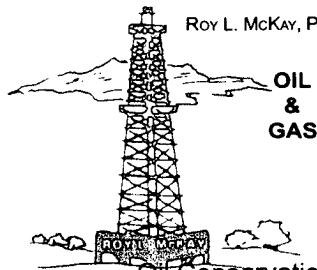


McKay Oil Corporation



ROY L. MCKAY, PRESIDENT

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

August 31, 2005

RECEIVED

SEP - 6 2005

OCD-ARTESIA

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

RE: **McKay Oil Corporation**
Notice of Violation – 6/22/05

Mr. Hawkins:

In reply to the attached Notice of Violation dated 6/22/05, please be advised of current status of the following three (3) wells:

PIPELINE COM #2

30-005-62375-00-00 K-26-6S-22E

Shut In: 7/7/05

Purpose: Build up pressure.

Current status: Established that well required additional work-over procedures. Work-over to be scheduled at earliest opportunity, when equipment is available.

In Service Anticipated Date: 9/12/05

SOUTH FOUR MILE DRAW FEDERAL #12

30-005-62883-00-00 H-23-6S-22E

Shut In: 6/10/05

Purpose: Build up pressure.

Current status: On line 6/28/05. Established that well required additional work-over procedures. Work-over completed. Replaced separator. It is anticipated production to increase.

SOUTH FOUR MILE DRAW FEDERAL #13

30-005-62881-00-00 P-23-6S-22E

Shut In: 5/16/05

Purpose: Leak in Line. Replaced both flow line and separator.

Current status: On line 7/19/05. New flow line installed. Also established that well required additional work-over procedures. Work-over completed, and it is anticipated production to increase.

Sincerely,

Carol Shanks
Production Analyst

/cls
Attachment