

NEW MEXICO GAS MARKETING, INC.

P. O. BOX 2014

ROSWELL, NEW MEXICO 88201

505/623-4735



May 27, 1986

Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Re: Purchase of Gas Production

Gentlemen:

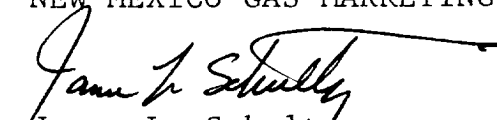
Please be advised that New Mexico Gas Marketing, Inc. has commenced the purchase of gas production from wells operated by McKay Oil Corporation as follows:

1. China Draw Federal #1	5-5-86
SW/4 Section 31-6S-23E	
2. China Draw Federal #2	5-5-86
NW/4 Section 31-6S-23E	
3. China Draw Federal #3 ✓	5-5-86
SE/4 Section 31-6S-23E	
4. China Draw Federal Comm #4	5-6-86
SW/4 Section 31-6S-23E	
5. Remmele Federal #2	5-6-86
SE/4 Section 25-6S-22E	
6. Remmele Federal #3	5-21-86
NE/4 Section 25-6S-22E	
7. Remmele Federal #5	5-23-86
SW/4 Section 25-6S-22E	

All of the above wells are located in Chaves County, New Mexico.

Yours very truly,

NEW MEXICO GAS MARKETING, INC.


James L. Schultz
Corporate Secretary

/srh