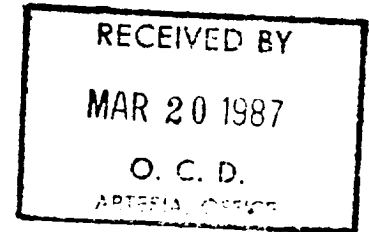


NEW MEXICO GAS MARKETING, INC.

P. O. Box 2014
Roswell, New Mexico 88202

(505) 623-4735

March 19, 1987



Oil Conservation Division
Post Office 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. Hosmer Federal #4 | 2-17-87 ✓ |
| SE/4 Section 13-6S-22E | |
| 2. Four Mile Draw Federal #5 | 2-16-87 |
| NW/4 Section 14-6S-22E | |
| 3. Four Mile Draw Federal #6 | 2-16-87 |
| NE/4 Section 14-6S-22E | |
| 4. Four Mile Draw Federal #7 | 2-17-87 |
| SW/4 Section 15-6S-22E | |
| 5. Four Mile Draw Federal #8 | 2-12-87 |
| NW/4 Section 15-6S-22E | |

All of the above wells are located in Chaves County, New Mexico. We request that this information be kept "CONFIDENTIAL".

Yours very truly,

MCKAY OIL CORPORATION

Theresa Rodriguez

Theresa Rodriguez
Production Analyst

Enclosures