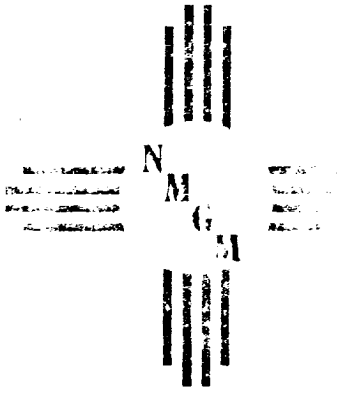


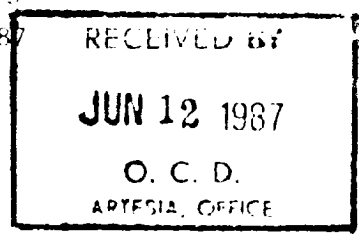
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NEW MEXICO GAS MARKETING, INC.

P. O. Box 2014
Roswell, New Mexico 88202

(505) 623-4735
June 11, 1987



New Mexico 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. Five Mile Tank Federal #5 | 5-18-87 |
| SW/4 Section 17-6S-23E | |
| 2. Snakeweed Federal #4 | 5-18-87 |
| SE/4 Section 18-6S-23E | |
| 3. Snakeweed Federal #3 | 5-21-87 |
| NE/4 Section 18-6S-23E | |
| 4. Five Mile Tank Federal #3 | 5-21-87 |
| SE/4 Section 17-6S-23E | |
| 5. Remmele Federal #12 | 5-22-87 |
| NW/4 Section 27-6S-22E | |
| ✓ 6. Lookout Federal #4 | 6-2-87 |
| NW/4 Section 10-6S-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

Enclosures