FERC--121

U.S. DEPARTMENT OF ENERGY Federal Energy Regulatory Commission Washington, D.C. 20426

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA) (Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination: Category Code Description Section of NGPA New OCS Lease 102 1 2 New onshore well (2.5 mile test) 102 New onshore well (1,000 feet deeper test) 102 3 New onshore reservoir 102 4 New reservoir on old OCS Lease 102 5 New onshore production well 103 High cost natural gas 107 Stripper well 108 Other Purchasers/Contracts: Buyer Code Purchaser Contract Date (Mo. Day Yr.)

Remarks:

McKay Oil Corporation Hosmer Federal #2