

|                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------|----------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------|
| 1.0 API well number:<br>(If not available, leave blank. 14 digits.)                                                        | <u>30-005-62378</u>                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| 2.0 Type of determination being sought:<br>(Use the codes found on the front of this form.)                                | <u>107</u><br>Section of NGPA                                                                                                                                                                                                                                                                                                                                                                                                                      |             | <u>(c)</u><br>Category Code                       |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| 3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)                           | <u>4208.25</u> feet                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| 4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)  | <u>McKay Oil Corporation</u><br>Name <u>P. O. Box 2014</u> Seller Code<br>Street<br><u>Roswell</u> <u>NM</u> <u>88201</u><br>City State Zip Code                                                                                                                                                                                                                                                                                                   |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| 5.0 Location of this well: [Complete (a) or (b).]<br>(a) For onshore wells<br>(35 letters maximum for field name.)         | <u>West Pecos Slope Abo</u><br>Field Name<br><u>Chaves</u> <u>NM</u><br>County State                                                                                                                                                                                                                                                                                                                                                               |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| (b) For OCS wells:                                                                                                         | Area Name _____ Block Number _____<br>Date of Lease:<br>_____<br>Mo. Day Yr. OCS Lease Number _____                                                                                                                                                                                                                                                                                                                                                |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| (c) Name and identification number of this well: (35 letters and digits maximum.)                                          | <u>L.L. &amp; E. Federal #5</u>                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| (d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)                                              | <u>Abo sand</u>                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| 6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.) | <u>New Mexico Gas Marketing, Inc.</u><br>Name _____ Buyer Code _____                                                                                                                                                                                                                                                                                                                                                                               |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| (b) Date of the contract:                                                                                                  | <u>0, 3, 2, 8, 8, 6,</u><br>Mo. Day Yr.                                                                                                                                                                                                                                                                                                                                                                                                            |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| (c) Estimated annual production:                                                                                           | <u>220</u> MMcf.                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
|                                                                                                                            | (a) Base Price<br>(\$/MMBTU)                                                                                                                                                                                                                                                                                                                                                                                                                       | (b) Tax     | (c) All Other<br>Prices [Indicate<br>(+) or (-).] | (d) Total of (a),<br>(b) and (c) |                 |                                                                                                                                                                                                              |                                |                       |
| 7.0 Contract price:<br>(As of filing date. Complete to 3 decimal places.)                                                  | <u>1.731</u>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>.168</u> | <u>---</u>                                        | <u>1.899</u>                     |                 |                                                                                                                                                                                                              |                                |                       |
| 8.0 Maximum lawful rate:<br>(As of filing date. Complete to 3 decimal places.)                                             | <u>6.400</u>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>.182</u> | <u>.192</u>                                       | <u>6.774</u>                     |                 |                                                                                                                                                                                                              |                                |                       |
| 9.0 Person responsible for this application:                                                                               | <table border="1"> <tr> <td>Agency Use Only</td> <td rowspan="3"> <u>Cindy L. Kelton</u><br/>         Name <u>Assistant to the</u><br/> <u>Cindy L. Kelton</u><br/>         Signature Title President<br/> <u>August 24, 1987</u><br/>         Date Application is Completed <u>505/623-4735</u><br/>         Phone Number       </td> </tr> <tr> <td>Date Received by Juris. Agency</td> </tr> <tr> <td>Date Received by FERC</td> </tr> </table> |             |                                                   |                                  | Agency Use Only | <u>Cindy L. Kelton</u><br>Name <u>Assistant to the</u><br><u>Cindy L. Kelton</u><br>Signature Title President<br><u>August 24, 1987</u><br>Date Application is Completed <u>505/623-4735</u><br>Phone Number | Date Received by Juris. Agency | Date Received by FERC |
| Agency Use Only                                                                                                            | <u>Cindy L. Kelton</u><br>Name <u>Assistant to the</u><br><u>Cindy L. Kelton</u><br>Signature Title President<br><u>August 24, 1987</u><br>Date Application is Completed <u>505/623-4735</u><br>Phone Number                                                                                                                                                                                                                                       |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| Date Received by Juris. Agency                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |
| Date Received by FERC                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |                                                   |                                  |                 |                                                                                                                                                                                                              |                                |                       |