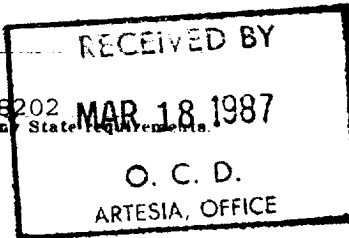


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR McKay Oil Corporation	8. FARM OR LEASE NAME Snakeweed Federal
3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico 88202	9. WELL NO. 3
4. LOCATION OF WELL (Report location clearly and in accordance with an State Requirements. See also space 17 below.) At surface 1980' FNL & 1980' FEL	10. FIELD AND POOL OR WILDCAT W. Pecos Slope-Abo
14. PERMIT NO.	11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 18, T6S, R23E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4137' GR	12. COUNTY OR PARISH, 13. STATE Chaves N.M.



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

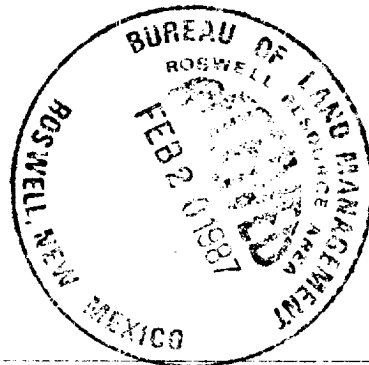
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREATMENT	MULTIPLE COMPLETION	FRACTURE TREATMENT	ALTERING CASING
SHOOTING OR ACIDIZING	ABANDON*	SHOOTING OR ACIDIZING	ABANDONMENT*
REPAIR WELL	CHANGE PLANT	Other	
Other	Pipeline Connection X	(Note: Report results of multiple completion on Well Completion or Re-completion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator proposes to construct a 2" steel natural gas pipeline as displayed on the enclosed topographic map. The proposed pipeline will be buried a minimum of 12".

The proposed pipeline is situated on Federal surface and is 'on lease'.

An archaeological survey was conducted on the proposed pipeline by Archaeological Survey Consultants, Roswell, N.M.



18. I hereby certify that the foregoing is true and correct

SIGNED Larry W. Franklin TITLE Landman DATE 2/20/87

(This space for Federal or State office use)

APPROVED BY S/Phil Kirk TITLE Area Manager DATE MAR 11 1987

CONDITIONS OF APPROVAL, IF ANY: THIS AUTHORIZATION IS GIVEN SUBJECT TO THE CONDITION THAT ALL OR PART OF IT MIGHT BE CONVERTED TO A RIGHT-OF-WAY GRANT IN THE FUTURE. ATTACHED ARE THREE PAGES OF STIPULATIONS WHICH ALSO APPLY TO THIS SUNDRY.

*See Instructions on Reverse Side