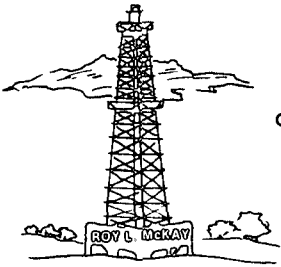


McKay Oil Corporation

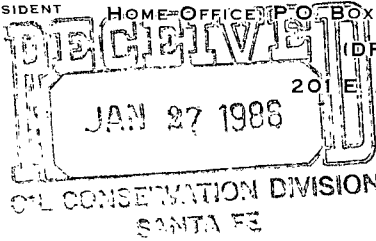


OIL
&
GAS

ROY L. MCKAY, PRESIDENT HOME OFFICE P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505/623-4735

(IDFW) OFFICE FIRST CITY TOWER, SUITE 590

201 E. ABRAM, ARLINGTON, TX 76010 817-265-5515



January 24, 1986

*West Pecos Slope Abs Gas Pool
160 Acres detailed.*

Oil Conservation Division
New Mexico State Land Office
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Dave Catanach

RE: Well Location
SW/4 Sec. 30-6S-23E
Chaves County, New Mexico

Gentlemen:

As you have previously been advised, McKay Oil Corporation desires to drill a Federal lease in the SW/4 of Section 30, Township 6 South, Range 23 East, NMPM. Enclosed is the consent to the unorthodox location by the only offset operator Sun Exploration and Production Co.

Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location located at 1057' feet from the West line and 1107' feet from the South line Section 30, Township 6 South, Range 23 East, NMPM. Thank you for your cooperation and assistance in this matter.

Very truly yours,

McKAY OIL CORPORATION

Jim Schultz
James L. Schultz
Contracts & Land

enclosure



**Sun Exploration and
Production Company**

Sun Tower
ClayDesta Plaza
No 24 Smith Rd Suite 600
Midland TX 79705
915 688 0532

January 23, 1986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88201

Attn: Mr. Roy McKay

Re: China Draw Area
China Draw Federal Comm #4
1057' FWL and 1107' FSL
Section 30, T-6-S, R-23-E
Chaves County, New Mexico

Gentlemen:

This letter is to inform you that Sun Exploration and Production Company has no objection to the drilling of the referenced well at the stated location by McKay Oil Corporation.

Yours very truly,

SUN EXPLORATION AND PRODUCTION COMPANY

Donald R. Smith
District Landman

cjw

RECEIVED JAN 24 1986

