

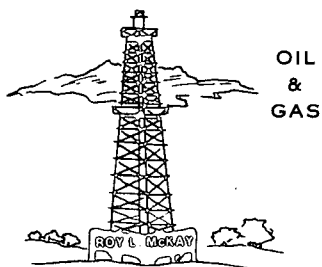
McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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

(DFW) OFFICE FIRST CITY TOWER, SUITE 590

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



December 30, 1986

NSL-2324
RULE-104 F (E)West Pecos Slope Abo Gas Pool
160 Acre dtd.
SE 1/4 Sect. 26

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

Attention: Dave Catanach

RE: Pipeline Comm. #1
SE/4 Sec. 26-6S-22E
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the SE/4 of Section 26, Township 6 South, Range 22 East, NMPM. (See Attachment "A") Due to topography and geological problems, McKay Oil is requesting an unorthodox location.

The well was originally staked at 1980' feet from the South line and 1980' feet from the East line. However, the location would have been situated near sinkholes. (See attachment "B") Therefore, the drilling rig and crew to a exposed to a very hazardous condition.

The Northwest quarter of this quarter section was chosen because of geological data on wells to the North and East. Not much is know about the area to the South and West. Therefore, it is our opinion that this location would be the only economical and productive location to drill. (See attachment "C")

All minerals surrounding this proration unit, with the exception of to the Southeast, is leased to McKay Oil Corporation or will be communitized with another McKay Oil Corporation proposed drilling unit. (See Attachment "A") The minerals to the Southeast is leased to Sun Exploration and Production Company. However, Sun will not object to this request and will be sending us written confirmation of this within the next few days. A copy of this letter will be forwarded to you upon our receipt.

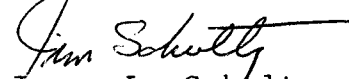
page 2 of 2
O.C.D.
December 30, 1986

Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location located at 1960' feet from the East line and 1342' feet from the South line Section 26, Township 6 South, Range 22 East, NMPM.

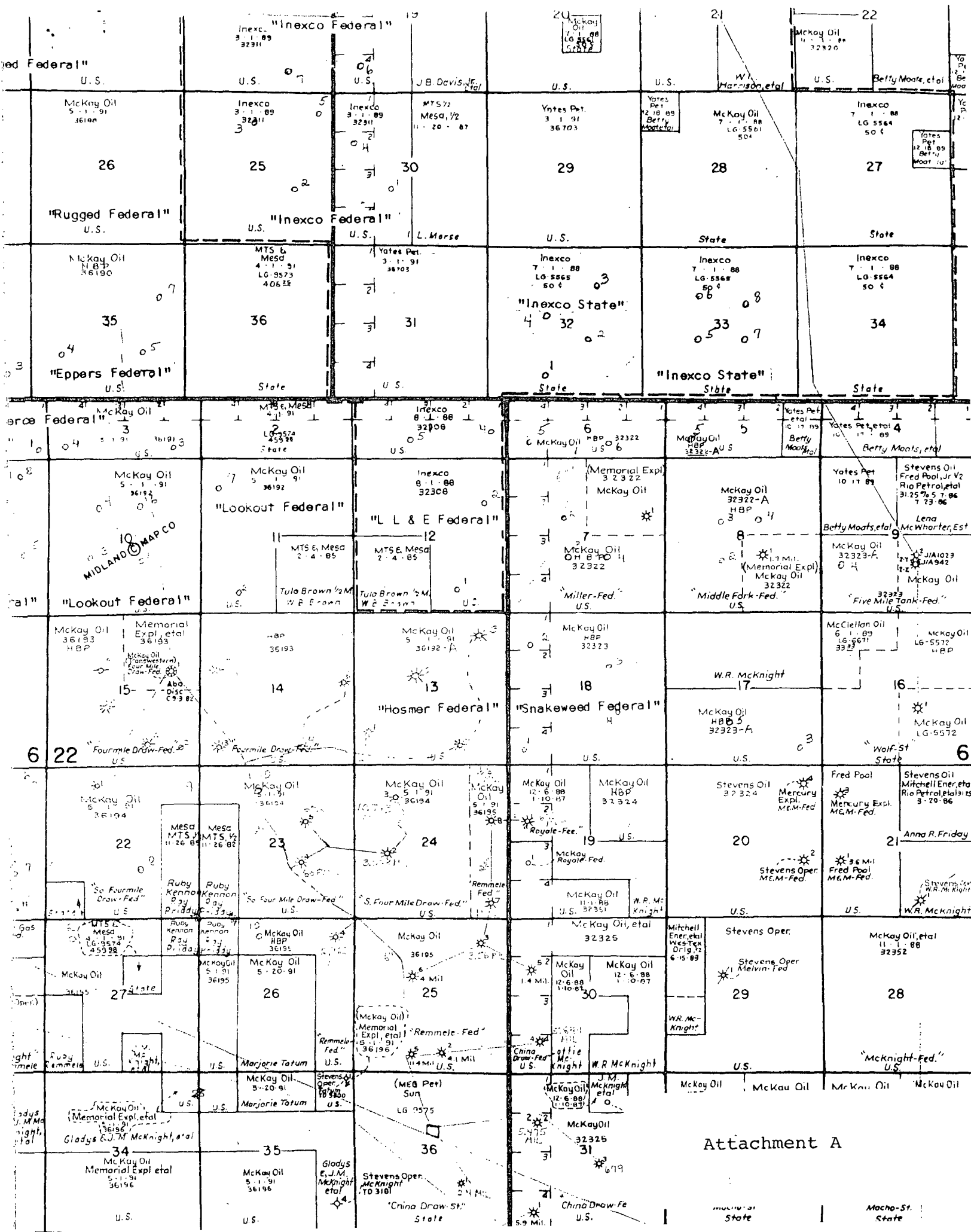
McKay Oil Corporation would request and appreciate your immediate attention to this matter. We desire to spud this well on or about the 20th day of January, 1987. Thank you for your cooperation and assistance.

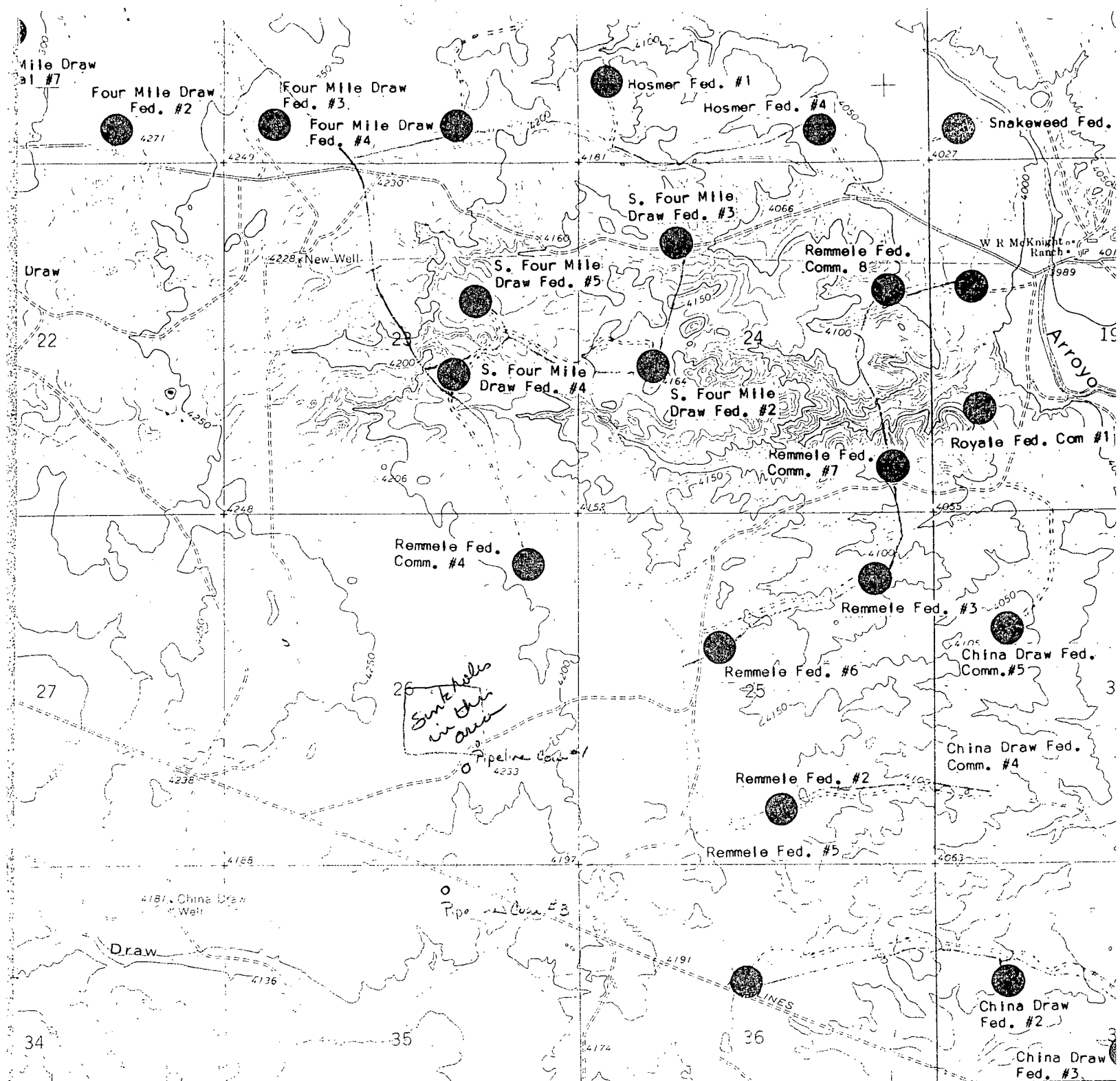
Very truly yours,

McKAY OIL CORPORATION


James L. Schultz
Contracts & Land

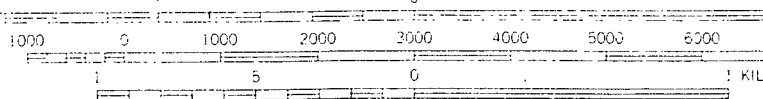
Attachements





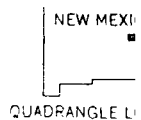
(ROCK HOUSE CANYON)
5051 II NW

SCALE 1:24 000

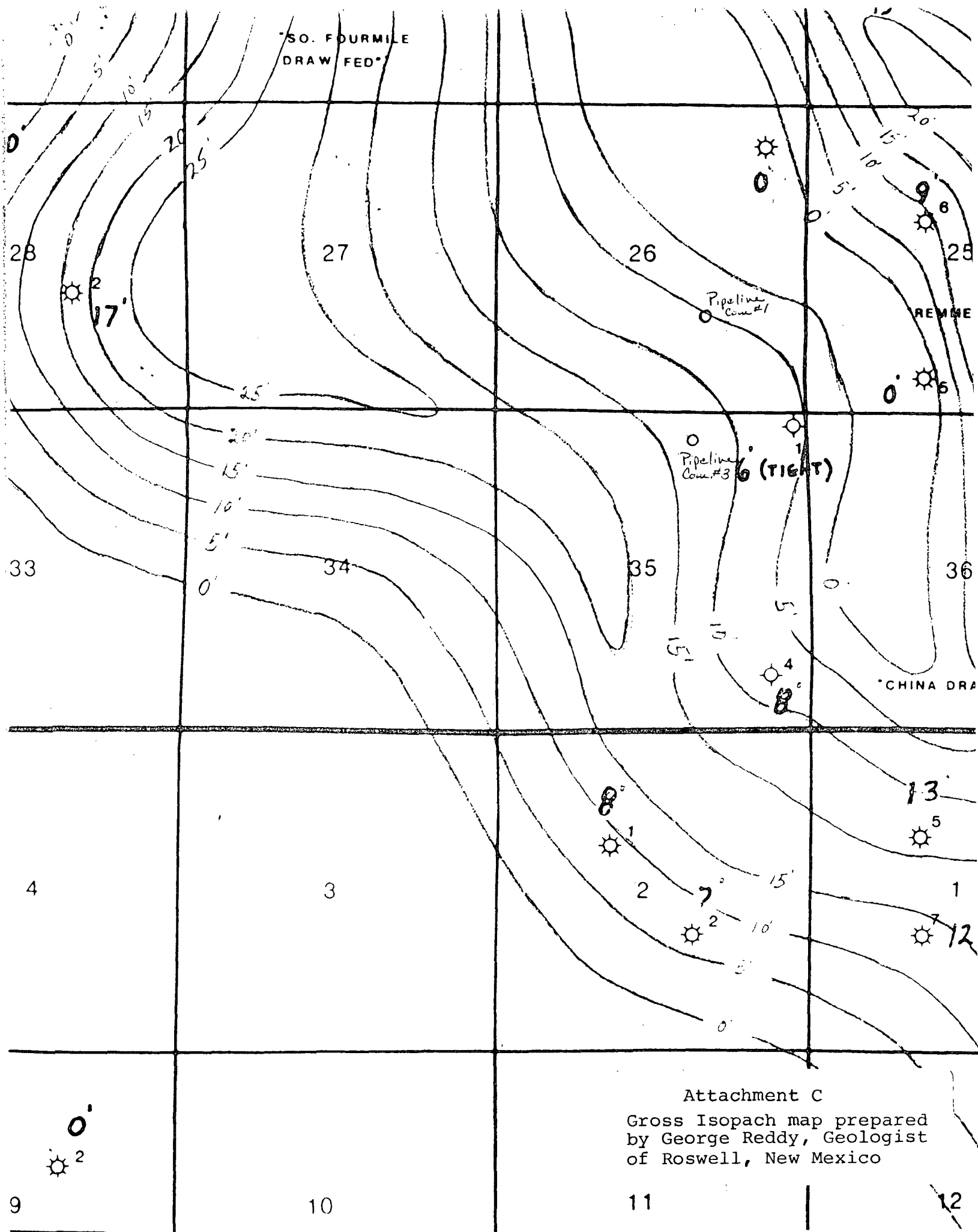


CONTOUR INTERVAL 10 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

Attachment B



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST



Attachment C
Gross Isopach map prepared
by George Reddy, Geologist
of Roswell, New Mexico

All distances must be from the outer boundaries of the Section.

Operator McKay Oil Corp.		Lease Pipeline Comm.		Well No. 1	
Unit Letter J	Section 26	Township 6 S	Range 22 E	County Chaves	
Actual Postage Location of Well: 1960 feet from the East line and 1342 feet from the South line					
Ground Level Elev. 4209	Producing Formation Abo		Pool W. Pecos Slope Abo		Dedicated Acreage 160

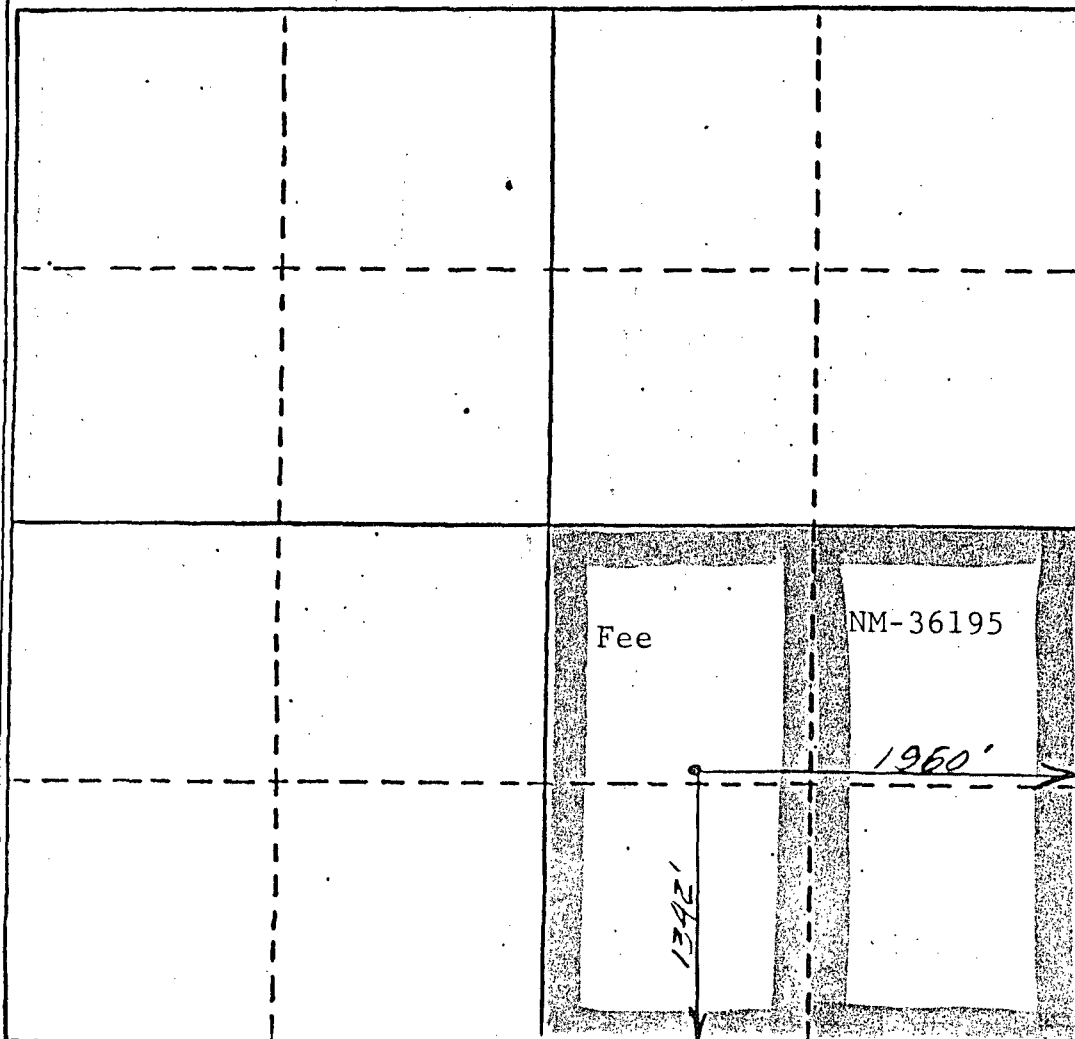
1. Outline the acreage dedicated to the subject well by colored pencil or indelible marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

RECEIVED BY
DEC 29 1986
ARTESIA OFFICE

☐ Yes ☒ No If answer is "yes," type of consolidation Will Communitize if productive.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name James L. Schultz
Position Landman
Company McKay Oil Corp.
Date 12-23-86

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 12-18-86
Registered Professional Engineer and/or Land Surveyor
John D. Jaquess, P.E. & L.S.
Certificate No. 6290