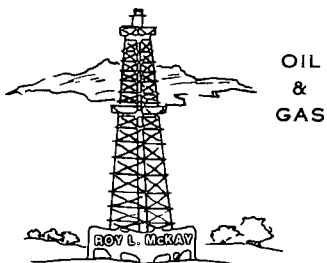
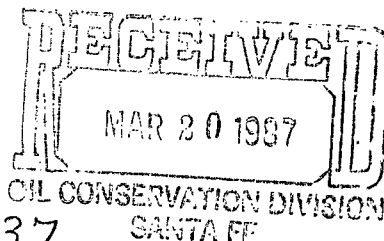


# McKay Oil Corporation

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



March 19, 1987



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

Attention: Dave Catanach

*NSL-2337*  
*RULE-104 F(Z)*  
*West Pecos Slope Pbr Gas Pool*  
*160 Acres ctd. ~~NE 1/4~~ NE 1/4 Sec 33*

RE: Ruby Fed. Comm. No. 1  
NE/4 Sec. 33-6S-22E  
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation desires to drill a Federal lease in the NE/4 of Section 33, 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 660 feet from the North line and 1650' feet from the East line. Due to the terrain, the BLM would not approve this location or any other normal location within this particular drilling spacing unit. (See Attachment 'B')

The Northwest quarter of this quarter section was chosen because of geological data on wells to the North and East. Not much is known 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 North are leased to McKay Oil Corporation or will be communitized with another McKay Oil Corporation proposed drilling unit. (See Attachment 'A') The minerals to the North are leased to Stevens Operating Company. A certified letter will be mailed to Stevens Operating notifying them of our proposal requesting written confirmation of non-objection of the proposed unorthodox location.

page 2 of 2  
O.C.D.  
March 19, 1987

Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 460 feet from the North line and 1450 feet from the East line Section 33, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and E.N.M. Archaeological Service.

McKay Oil Corporation would request and appreciate your immediate attention to this matter. Thank you for your cooperation and assistance.

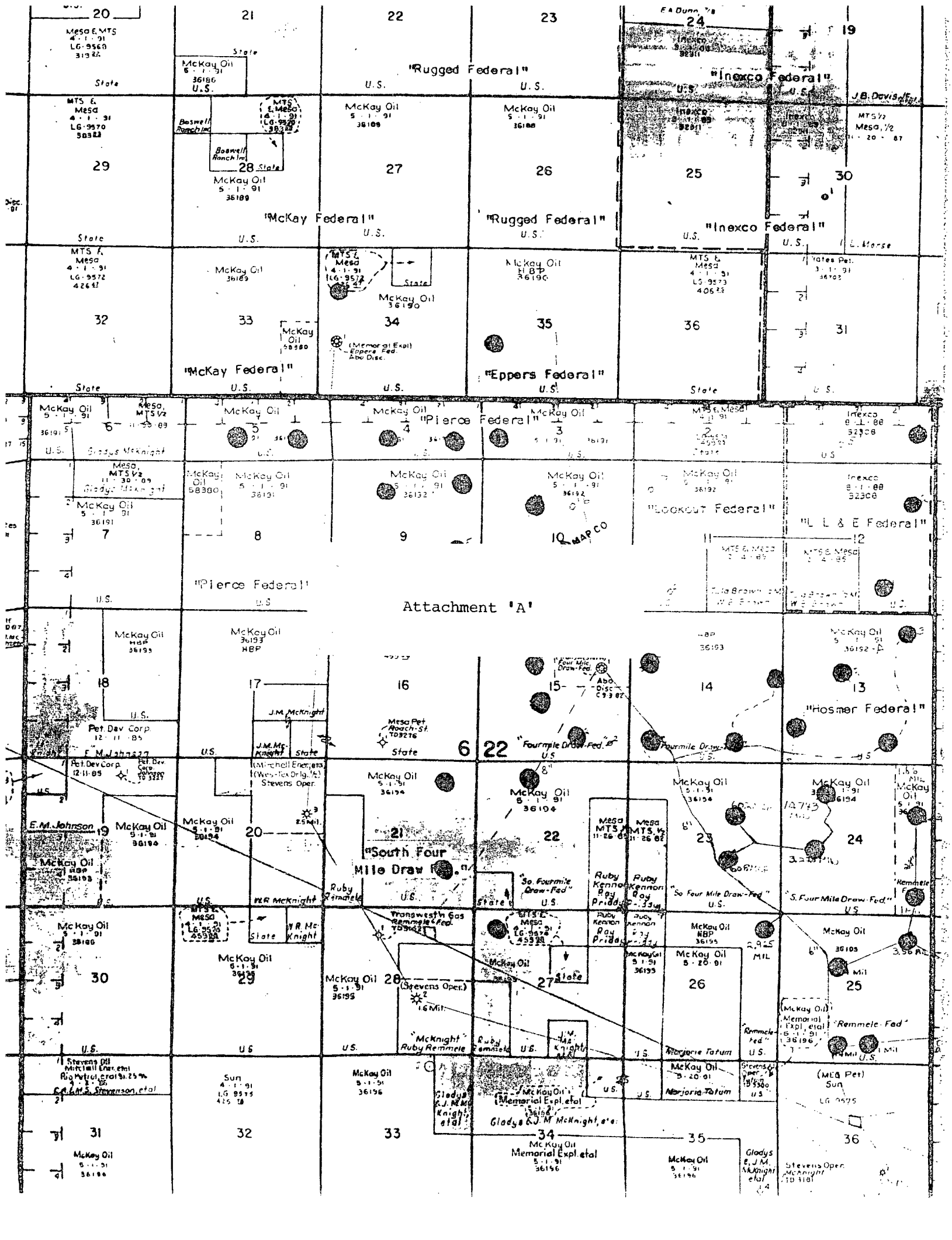
Very truly yours,

McKAY OIL CORPORATION



Terry Franklin  
Agent

Attachments



Attachment 'A'

Mesa E. MTS  
4-1-91  
LG-9560  
31922  
State  
McKay Oil  
5-1-91  
36196  
U.S.

21  
Baswell  
Baswell  
Baswell  
McKay Oil  
5-1-91  
36189  
U.S.

22  
"Rugged Federal"  
U.S.

23  
U.S.  
McKay Oil  
5-1-91  
36188  
U.S.

24  
"Inexco Federal"  
U.S.

19  
J.B. Davis  
McKay Oil  
5-1-91  
36187  
U.S.

29  
State  
McKay Oil  
5-1-91  
36189  
U.S.

27  
"McKay Federal"  
U.S.

26  
"Rugged Federal"  
U.S.

25  
"Inexco Federal"  
U.S.

30  
L. Morse  
McKay Oil  
5-1-91  
36189  
U.S.

31  
McKay Oil  
5-1-91  
36189  
U.S.

32  
State  
McKay Oil  
5-1-91  
36189  
U.S.

33  
"McKay Federal"  
U.S.

34  
State  
McKay Oil  
5-1-91  
36190  
U.S.

35  
"Eppers Federal"  
U.S.

36  
State  
McKay Oil  
5-1-91  
36190  
U.S.

31  
McKay Oil  
5-1-91  
36189  
U.S.

6  
McKay Oil  
5-1-91  
36191  
U.S.

5  
"Pierce Federal"  
U.S.

4  
"Pierce Federal"  
U.S.

3  
McKay Oil  
5-1-91  
36192  
U.S.

2  
"LOOKOUT Federal"  
U.S.

1  
"L & E Federal"  
U.S.

7  
McKay Oil  
5-1-91  
36191  
U.S.

8  
"Pierce Federal"  
U.S.

9  
McKay Oil  
5-1-91  
36192  
U.S.

10  
"Pierce Federal"  
U.S.

11  
McKay Oil  
5-1-91  
36193  
U.S.

12  
"Hosmer Federal"  
U.S.

18  
McKay Oil  
5-1-91  
36193  
U.S.

17  
McKay Oil  
5-1-91  
36193  
U.S.

16  
McKay Oil  
5-1-91  
36194  
U.S.

15  
"Four Mile Draw Fed."  
U.S.

14  
McKay Oil  
5-1-91  
36194  
U.S.

13  
McKay Oil  
5-1-91  
36194  
U.S.

19  
McKay Oil  
5-1-91  
36194  
U.S.

20  
McKay Oil  
5-1-91  
36194  
U.S.

21  
"South Four Mile Draw"  
U.S.

22  
"South Four Mile Draw"  
U.S.

23  
McKay Oil  
5-1-91  
36195  
U.S.

24  
McKay Oil  
5-1-91  
36195  
U.S.

30  
McKay Oil  
5-1-91  
36195  
U.S.

29  
McKay Oil  
5-1-91  
36195  
U.S.

28  
McKay Oil  
5-1-91  
36195  
U.S.

27  
McKay Oil  
5-1-91  
36195  
U.S.

26  
McKay Oil  
5-1-91  
36195  
U.S.

25  
McKay Oil  
5-1-91  
36195  
U.S.

31  
McKay Oil  
5-1-91  
36196  
U.S.

32  
McKay Oil  
5-1-91  
36196  
U.S.

33  
McKay Oil  
5-1-91  
36196  
U.S.

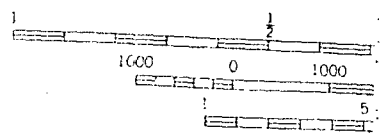
34  
McKay Oil  
5-1-91  
36196  
U.S.

35  
McKay Oil  
5-1-91  
36196  
U.S.

36  
McKay Oil  
5-1-91  
36196  
U.S.

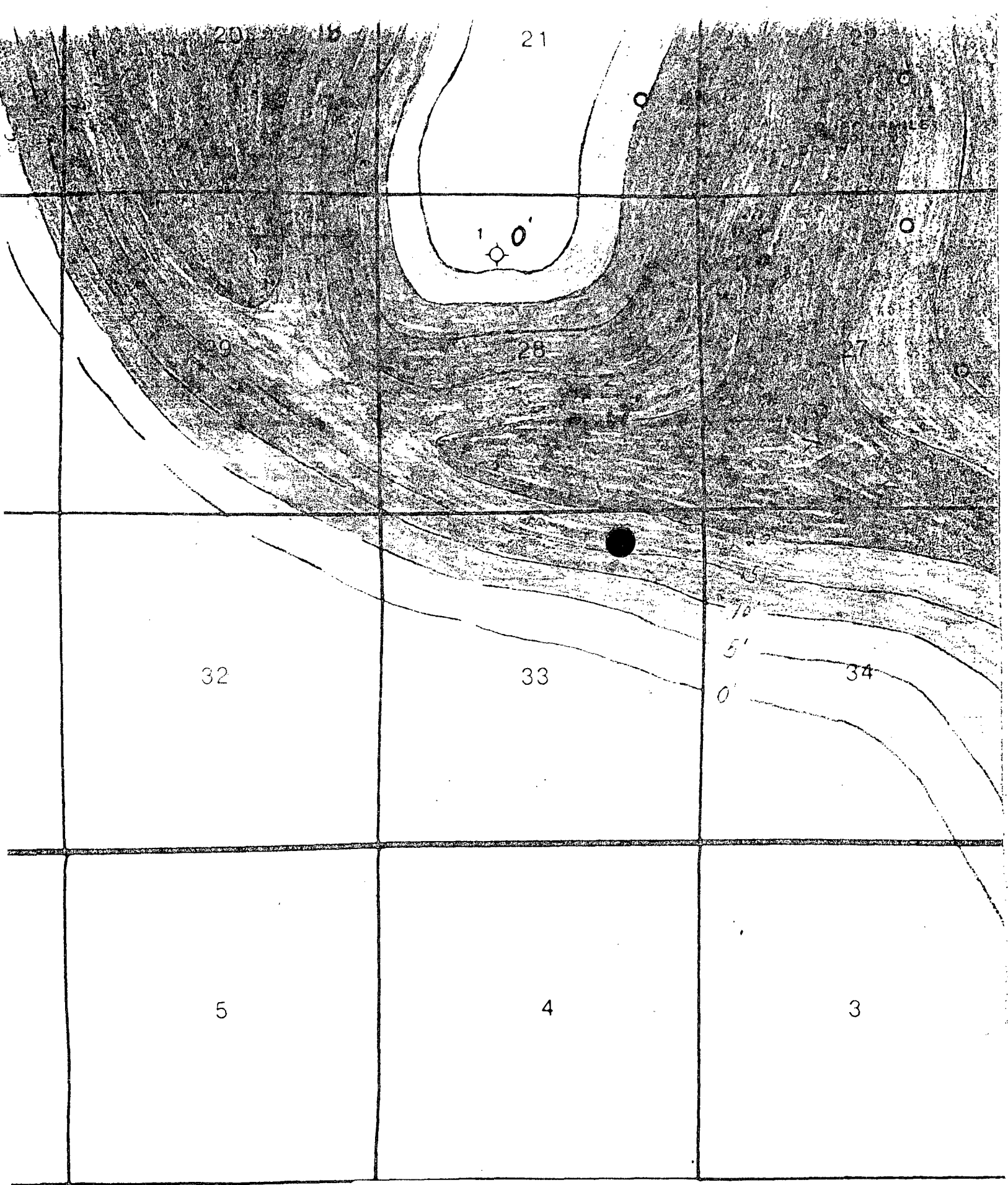


edited, and published by the Geological Survey  
 by USGS and NOS/NOAA  
 by photogrammetric methods from aerial  
 photos taken 1966. Field checked 1967  
 projection. 10,000-foot grid ticks based on  
 UTM coordinate system, east zone. 1000-meter  
 Transverse Mercator grid ticks, zone 13,  
 Nue. 1927 North American Datum.



Attachment 'B'

CC  
NATION



Attachment 'C'  
Isopach Map Prepared by  
George Reddy-Geologist  
Roswell, New Mexico

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

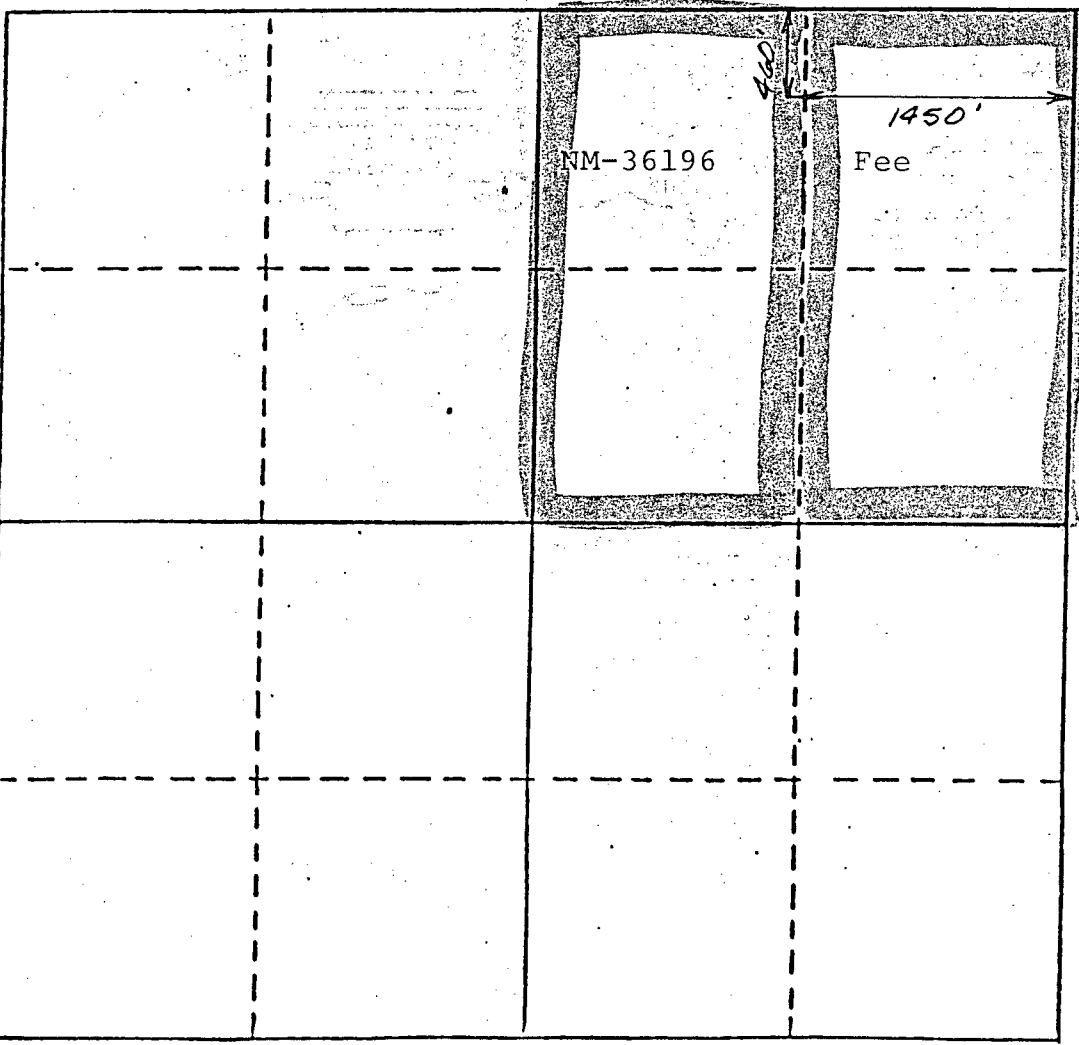
Operator McKay Oil Corp.		Lease Ruby Fed. Comm.			Well No. 1
Unit Letter B	Section 33	Township 6 South	Range 22 East	County Chaves	
Actual Footage Location of Wells 460 feet from the North line and 1450 feet from the East line					
Ground Level Elev. 4234	Producing Formation ABO	Pool W. Pecos Slope Abo		Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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  
JAN -9 1987  
O.C.D.  
ARTESIA, OFFICE

Yes  No If answer is "yes," type of consolidation will communitize and/or force pool.  
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.

*[Signature]*

Name  
Sam L. Shackelford

Position  
Agent

Company  
McKay Oil Corp.

Date  
12-24-86

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  
December 20, 1986

Registered Professional Engineer and/or Land Surveyor

*[Signature]*  
John D. Jaquess, P.E. & L.S.

Certificate No. 6280

