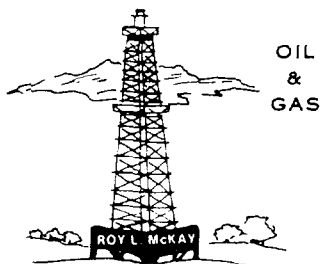


# McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735

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May 10, 1999

Sanders Petroleum Corporation  
P.O. Box 2918  
Roswell, New Mexico 88202

REFERENCE: S. 4 Mile Draw "B" Fed. Com 12  
West Pecos Slope Abo Field  
Chaves County, New Mexico

Gentlemen:

McKay Oil Corporation has recently drilled, tested and completed the referenced well in a unorthodox location. The location is 600' FNL and 1958' FEL, Section 24, Township 6 South, Range 22 East, N.M.P.M., Chaves County, New Mexico. The well is a 3000' foot Abo Formation well. The location is unorthodox and must be granted an exception to the spacing rules.

McKay Oil is required to present its request to the OCD on May 13, 1999, at a hearing in Santa Fe. We request you sign and return a copy of this letter signifying that you have no objections to the OCD granting this exception to the spacing regulations.

Sincerely,

MCKAY OIL CORPORATION

A handwritten signature in dark ink, appearing to read 'Bill J. Milstead'.

Bill J. Milstead  
Vice President - Land and Legal

We have no objection to the location of said well.

SANDERS PETROLEUM CORPORATION

By: A handwritten signature in dark ink, appearing to read 'Sherri Todd'.

Sherri Todd, President