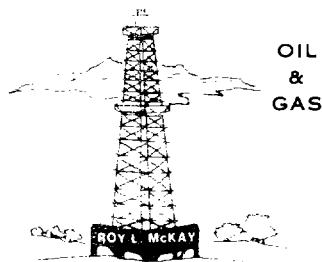


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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April 7, 1999

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Mr. William J. LeMay, Director
State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Case 12183

REFERENCE: S. Four Mile Draw Fed. "B" Com. #12

Dear Mr. LeMay:

McKay Oil Corporation hereby requests the Oil Conservation Division administratively approve the location for the referenced well. The well was drilled in an unorthodox location due to topographic constraints. We have attached a copy of the topographic map showing the area around the drillsite for your review, along with a copy of the approved APD.

The topographic map shows that the location is in a narrow draw and the location was placed in an area that is one of the widest parts of the draw. The location could not have been moved further south due to the narrowing of the draw and an earthen dam built by the rancher to hold water. McKay Oil placed the location in an area that was the least obtrusive for those concerned with surface use.

We have also attached a copy of the Land Base Map, which reflects the ownership in the adjacent tracts. McKay Oil owns and is the Operator of the adjacent leases so there is no necessity to mail any affected party letters.

We hereby request you grant administrative approval of the location pursuant to Rule 104.F(2) of the Rules and Regulations of the Oil Conservation Division.

Thank you for your immediate attention to this matter.

Sincerely,

MCKAY OIL CORPORATION

Bill J. Milstead

Bill J. Milstead
Vice President - Land and Legal

enclosures