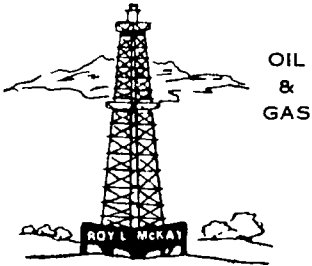


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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

STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505 / 624 - 2202



December 14, 1990

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: David R. Catanach

RE: Horizontal Drilling
West Fork Unit #10
West Fork Unit #12
West Fork Unit #14
Chaves County, New Mexico

*Dismiss
de Cacer Nos.
10189
10190
[redacted]
M.S.*

Dear Mr. Catanach:

This letter is to request that the OCD hearing for the horizontal drilling of the West Fork Unit #12 and #14 be cancelled until further notice. Further, I would request that the OCD hearing for the horizontal drilling of the West Fork Unit #10 be postponed until the next hearing on January 10, 1990.

Should these requests meet with your approval, please contact me at the above address or telephone number. Thanks for your cooperation and assistance.

Very truly yours,

MCKAY OIL CORPORATION

Jim Schultz
James L. Schultz
V.P. Land & Legal

JLS/tr
40:OCD.A1



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
 GOVERNOR

January 3, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. James L. Schultz
V.P. Land & Legal
McKay Oil Corporation
P. O. Box 2014
Roswell, New Mexico 88202

Re: CASE NO. 10191
ORDER NO. R-9396

Applicant:

McKay Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD _____ x
 Artesia OCD _____ x
 Aztec OCD _____

Other _____

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10191
ORDER NO. R-9396

APPLICATION OF MCKAY OIL CORPORATION FOR
A HORIZONTAL DIRECTIONAL DRILLING PILOT
PROJECT AND SPECIAL OPERATING RULES THEREFOR,
CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of December, 1990, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

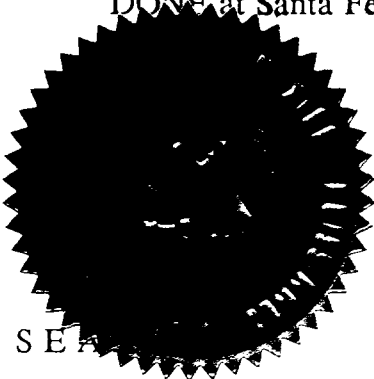
FINDS THAT:

The applicant's request for dismissal should be granted.


IT IS THEREFORE ORDERED THAT:

Case No. 10191 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director