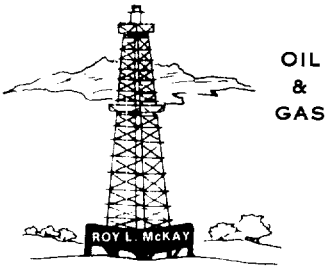


McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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



March 26, 1987

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

Attention: Dave Catanach

Re: S. 4 Mile Draw Fed. Com. #10
NW/4, Sec. 23, T6S, R22E
Chaves County, N.M.
W. Pecos Slope-Abo

Gentlemen:

McKay Oil Corporation desires to drill a Federal location in the NW/4 of Section 23, Township 6 South, Range 22 East, NMPM. (See Attachment 'A') Due to geological problems, McKay Oil is requesting an unorthodox location.

The well was originally permitted at 660 feet from the North line and 1930 feet from the West line. Due to wells drilled recently offsetting this proration unit, more precise geological data has been presented in regards to our proposed well, those wells situated to the North and West. Therefore, it is our opinion that the proposed relocation in the NW/4 NW/4 of the section would be the only economical and productive location to drill. (See Attachment 'B')

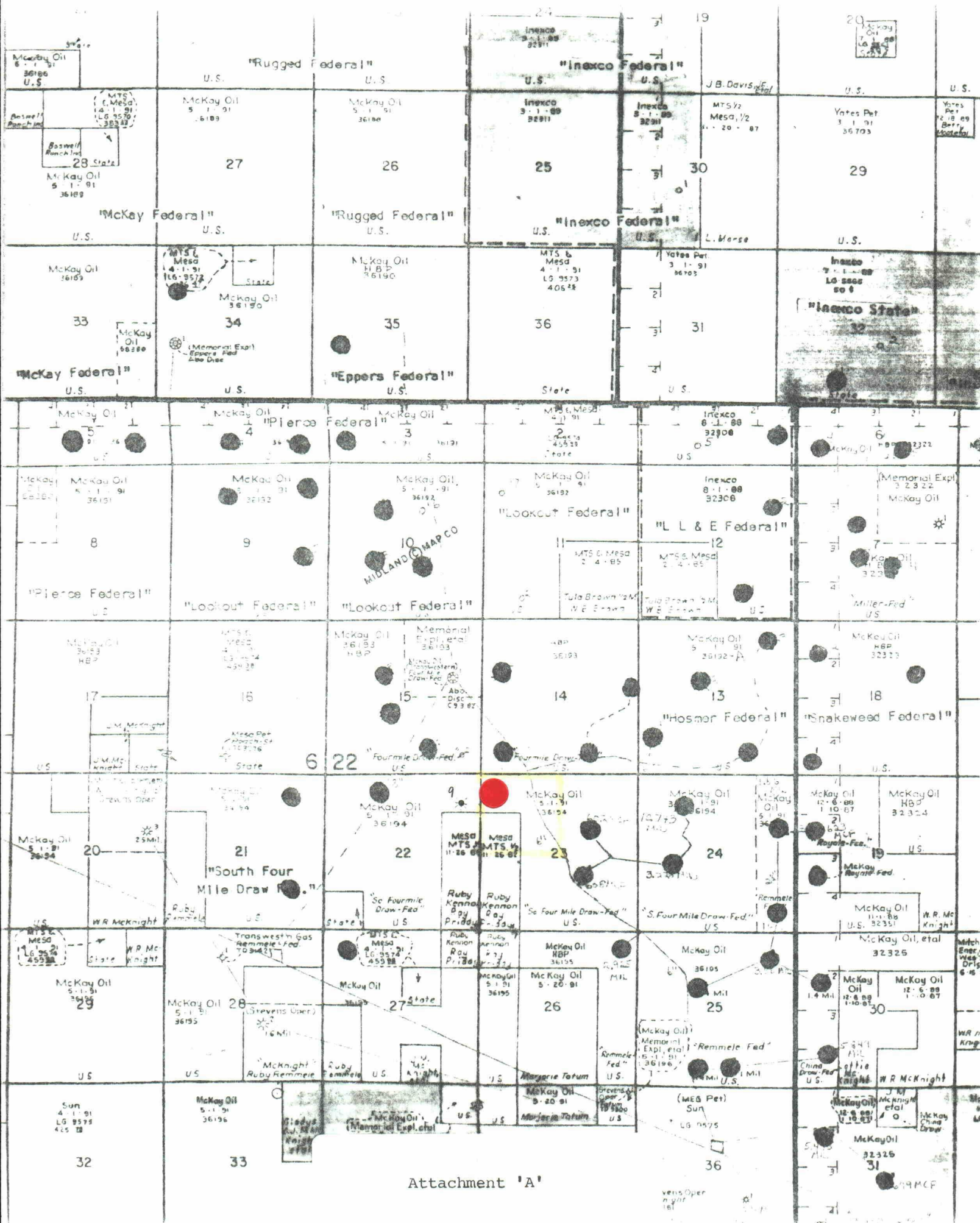
All minerals surrounding this proration unit are leased to McKay Oil Corporation, or communitized under other proration units. (See Attachment 'A')

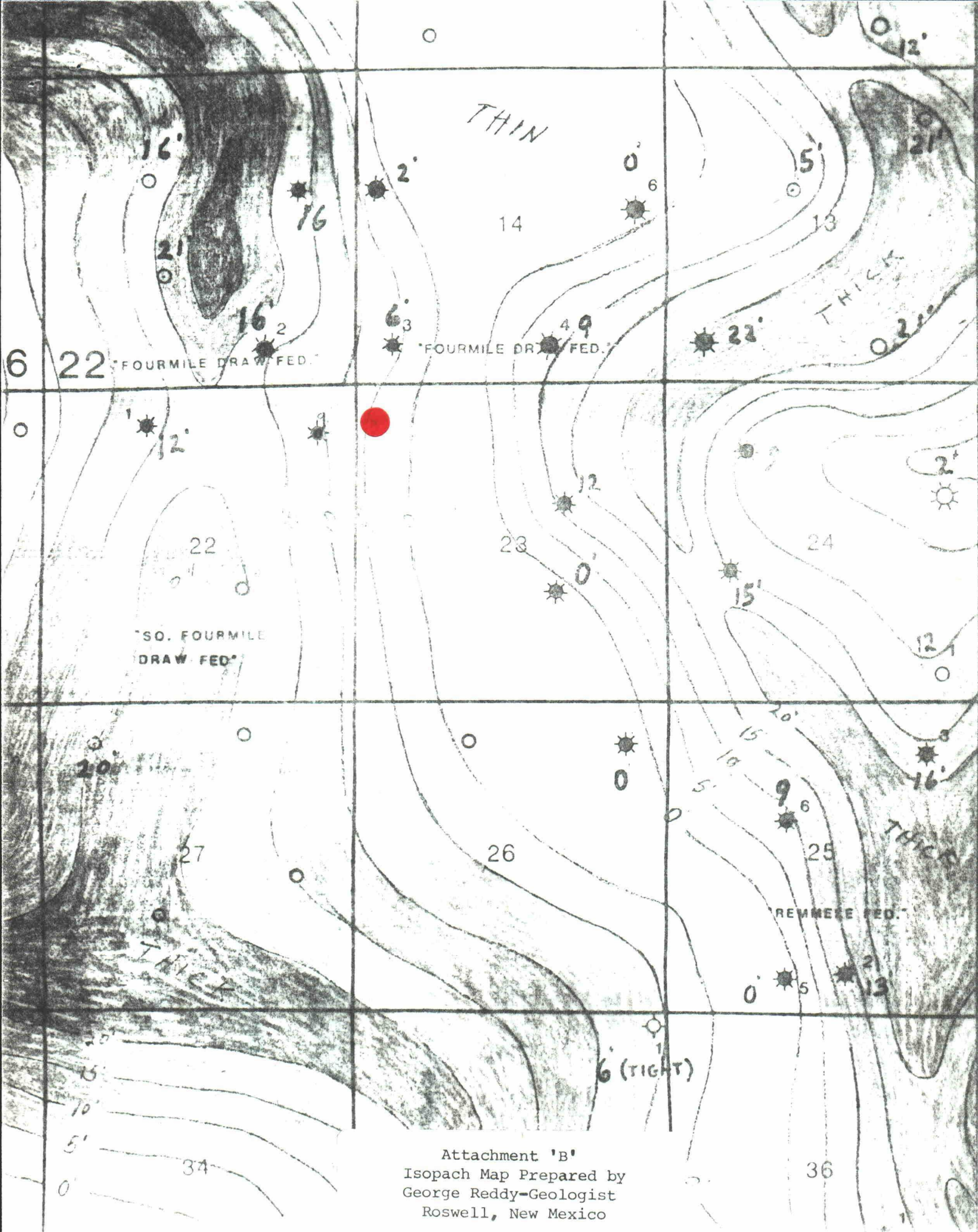
Therefore, McKay Oil requests that the O.C.D. approve the unorthodox location at 660 feet from the North line and 330 feet from the West line, Section 23, Township 6 South, Range 22 East, NMPM, which has been approved by the BLM and Archaeological Survey Consultants.

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

Sincerely,

Terry W. Franklin
Terry W. Franklin
Agent





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