



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHEFS
GOVERNOR

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

April 24, 1989

McKay Oil Corporation
P.O. Box 2014
Roswell, NM 88202

Case 9676

Attention: Terry W. Franklin

RE: West Fork Unit Well No. 4; 2480'
FSL - 360' FEL, I-31-T4S-R22E,
Abo Gas Test, Chaves County,
New Mexico.

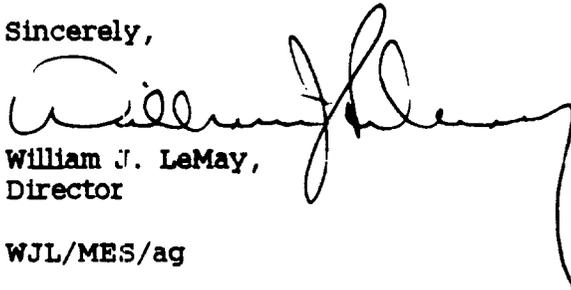
Dear Mr. Franklin:

Upon further review of the subject application received on March 10, 1989 and your supplemental information of March 21, 1989 and April 20, 1989, it appears that the requested location is primarily based on geology and not topography. Both letters from the BLM, which were included with this supplemental information, indicate that the alternate location chosen is satisfactory and that a standard location is unacceptable; however, at no time do they suggest that a location, which is only slightly unorthodox, is unacceptable.

Therefore, this filing cannot be approved administratively, and a hearing before a Division Examiner will be required before this application can be considered.

If you have any questions or comments concerning this matter, please contact me.

Sincerely,



William J. LeMay,
Director

WJL/MES/ag

cc: Michael E. Stogner
Vic Lyon
OCD - Artesia

Terry Franklin

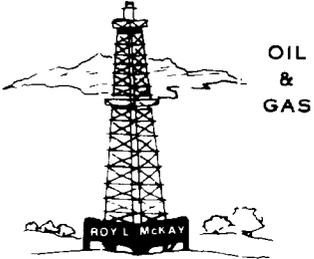
622 907

McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

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

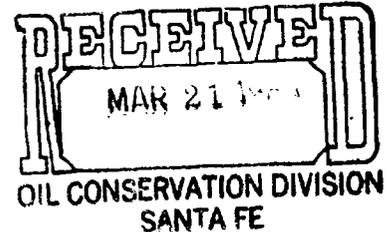
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505/624-2202



March 17, 1989

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

Attention: Mike Stogner



Re: West Fork Unit #4
Non-Standard Location
SE/4, Sec. 31-4S-21E
Chaves County, N.M.

Case 9676

Mr. Stogner,

Enclosed for your review is a letter regarding the Bureau of Land Management's concurrence on re-locating our proposed West Fork Unit No. 4 drilling location. Proposed location was re-located due to topographic reasons concerning the Five Mile Draw floodplain.

If you have any questions regarding this matter, please call. I sincerely appreciate your cooperation and assistance in this matter.

Sincerely,

Terry W. Franklin

Terry W. Franklin



United States Department of the Interior

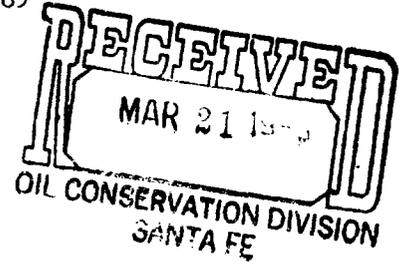
BUREAU OF LAND MANAGEMENT
 ROSWELL RESOURCE AREA
 P.O. BOX 1857
 ROSWELL, NEW MEXICO 88202



IN REPLY
 REFER TO:

3100 (066)

March 14, 1989



McKay Oil Corporation
 ATTN: Terry W. Franklin
 P.O. Box 2014
 Roswell, New Mexico 88202-2014

Case 9676

Dear Mr. Franklin:

This letter is written in reference to your March 13, 1989 telephone conversation with Bruce West of this office concerning the relocation of the proposed West Fork Unit #4 gas well drilling site.

The original location for this well was at a point 1,980 feet FSL and 660 feet FEL in Section 31, T. 4 S., R. 22 E. and was in the drainage of the Middle Fork of Five Mile Draw. This location is also considered to be a floodplain area as determined by the United States Department of Housing and Urban Development, Federal Insurance Administration.

To reduce the potential for environmental degradation, address safety concerns and save the capital outlay that would otherwise be spent on special modifications required for a gas well in a floodplain Bruce West, during the preliminary on-site inspection, requested that the location be moved. I concur with this request. The new drilling site that you have proposed, located 2,480 feet FSL and 360 feet FEL in Section 31, T. 4 S., R. 22 E., as indicated in your Sundry Notice, received March 10, 1989 is a much improved location from an environmental standpoint.

I appreciate your cooperation in the resolving of this potentially serious situation. It is good knowing that the oil and gas industry has people with your knowledge of environmental issues and concern for the Public Lands.

Sincerely,

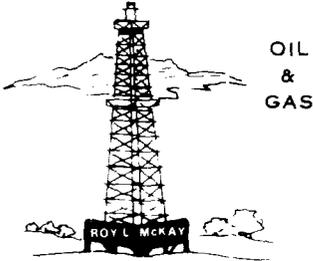
Phil Kirk
 Area Manager

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



April 18, 1989

RECEIVED

APR 20 1989

OIL CONSERVATION DIV.
SANTA FE

Case 9676

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

Re: West Fork Unit #4

Mr. Stogner,

Enclosed for your review is a supplemental letter from the Bureau of Land Management regarding the position or location of our proposed unorthodox well site.

The Bureau of Land Management further agrees that this is the most logical and environmentally sound location within this quarter section.

If you have any further questions, please call. Thank you for your cooperation and assistance in this matter.

Sincerely,

Terry W. Franklin

RECEIVED 11 1989



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

ROSSELL RESOURCE AREA

P.O. BOX 1857

ROSSELL, NEW MEXICO 88202



IN REPLY
REFER TO:

3100 (066)

March 31, 1989

Mckay Oil Corporation
ATTN: Terry W. Franklin
P.O. Box 2014
Roswell, New Mexico 88202-2014

Case 9676

Dear Mr. Franklin:

This letter is written to further clarify the letter from this office dated March 14, 1989, concerning the moving of McKay Oil Corporation's West Fork Unit #4 proposed drilling location from a flood plain area, located 1980 feet FSL and 660 feet FEL in section 31, T. 4 S., R. 22 E., to the northeast approximately 500 feet. This new drilling location site that you have proposed, located at a point 2480 feet FSL and 360 feet FEL in section 31, T. 4 S., R. 22 E., is the most logical and environmentally sound location within the southeast one-quarter of this section. The other areas of this quarter section are not suitable as drilling locations. The environmental problems that occur include the floodplain area, areas of excessive slope and areas of karst topography that include visible sink holes.

There may be some leeway to move this proposed location a short distance to the west or south but as I understand the situation, the present location on high, nearly level ground is the best drilling site available within this quarter section.

I hope this letter will help in justifying your request for an unorthodox drilling location from the state of New Mexico. Thank you again for your concern for the Public Lands. If you need further assistance please contact Bruce West of this office, telephone (505) 624-1790.

Sincerely,

Phil Kirk

Phil Kirk
Area Manager



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

GARREY CARRUTHERS
GOVERNOR

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

April 24, 1989

McKay Oil Corporation
P.O. Box 2014
Roswell, NM 88202

Case 9676 - Primer

Attention: Terry W. Franklin

RE: West Fork Unit Well No. 4; 2480'
FSL - 360' FEL, I-31-T4S-R22E,
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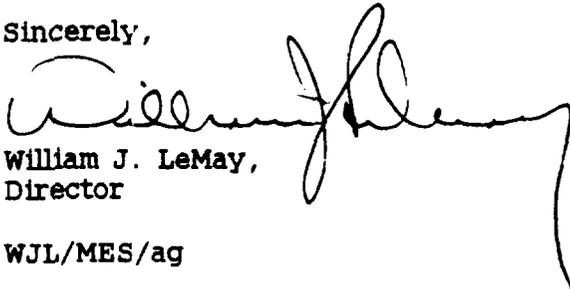
Dear Mr. Franklin:

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Sincerely,



William J. LeMay,
Director

WJL/MES/ag

cc: ~~Michael F. Stogner~~
Vic Lyon
OCD - Artesia