



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

005-63764

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 7, 2007

McKay Oil Corporation
One McKay Place
PO Box 2014
Roswell, NM 88202

RE: Drilling Pit Remediation

To Whom It May Concern:

The following drilling pits have been approved for closure:

- Inexco Federal #6, API 3000563740.
- LL&E B Federal #3, API 3000563793.
- LL&E C Federal #3, API 3000563788.
- LL&E B Federal #5, API 3000563751.
- Samantha B Federal #1, API 3000563764.
- Lookout B Federal #8, API 3000563743.

The following drilling pits were found to be in violation of Rule 50. The compliance deadline has been extended for closure of these pits to October 6, 2007. These pits must be closed and a closure report with analytical data must be received by this office no later than October 6, 2007 to prevent further NOV action being initiated.

- LL&E C Federal #3, API 3000563788.
- LL&E B Federal #3, API 3000563793.
- LL&E B Federal #5, API 3000563751.
- Lookout B Federal #8, API 3000563743.

Any drilling pits closed prior to C-144 approval date will need to be reentered, samples taken and analytical data submitted to this office.

If you have any questions please feel free to call me at 748-1283, extension 113.

Sincerely,


Ron Harvey
Compliance Officer