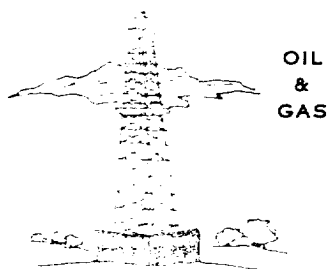


McKay Oil Corporation

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



September 26, 2000

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



REFERENCE: Five Mile Tank "B" Federal #5.

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 the location is on the western edge of a major draw and will cause the least amount of erosion from the potential production location. 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 in this matter.

Sincerely,

MCKAY OIL CORPORATION

A handwritten signature in cursive script, reading "Bill J. Milstead".

Bill J. Milstead
Vice President - Land and Legal

enclosures

