District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

Date: 11/30/05

Phone: 505-623-4735

State of New Mexico Energy, Minerals & Natural Resources

Submit to Appropriate District Office

Oil Conservation Division Santa Fe, NM 87505

5 Copies

Form C-104

Revised July 28, 2000

1220 South St. Francis Dr. District III 1000 Rio Brazos Rd., Aztec, NM 87410 AMENDED REPORT District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT I. OGRID Number 14424 1 Operator name and Address MCKAY OIL CORPORATION P.O. B OX 2014 ROSWELL, NM 88202-2014 505-623-4735 3 Reason for Filing Code/ Effective Date 6 Pool Code ⁴ API Number 5 Pool Name WEST PECOS ABO SLOPE 82740 30-005-63728 MILLER B FEDERAL Well Number ⁷ Property Code #3 ' Property ¹⁰ Surface Location East/West line West Ul or lot no. O Township Range 23E Feet from the 1980' North/South Line South Feet from the 660' County CHAVES Section Lot.Idn 11 Bottom Hole Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 12 Lse Code 15 C-129 Permit Number 16 C-129 Effective Date 17 C-129 Expiration Date 13 Producing Method FLOW Gas Connection Date 11/18/05 III. Oil and Gas Transporters 18 Transporter OGRID ²⁰ POD 21 O/G 19 Transporter Name ²² POD ULSTR Location and Address and Description 015834 **ABO** Gas Gathering 9104 G RECEIVED DEC 1 2005 QUIP-MATESIA IV. Produced Water 23 POD Meter # 300401 POD ULSTR Location and Description V. Well Completion Data 25 Spud Date ²⁶ Ready Date 27 TD 28 PBTD 29 Perforations 30 DHC, MC 2952'-2970' 2spf 9/17/05 11-14-05 4356 4250' 4272'-4320' 2spf 31 Hole Size 32 Casing & Tubing Size 33 Depth Set 34 Sacks Cement 758 sks Class "C" 12 1/4 8 5/8 1040 7 7/8 5 1/2 4356 460 sks Class "C" 2 3/8 2928 VI. Well Test Data 35 Date New Oil 36 Gas Delivery Date 37 Test Date 38 Test Length Tbg. Pressure Csg. Pressure N/A 11/18//05 11/18/05 705 4 HRS 666 41 Choke Size 42 Oil 43 Water 44 Gas 45 AOF 46 Test Method 22/64 N/A 183 MCF 1.75 Flow Test ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with ¿CONSERVATION DIVISION and that the information given above is true and complete to the best of my knowledge and belief. Signature: Approved by TRAITER! Title: Printed name: CAROL SHANKS Title: PRODUCTION ANALYST Approval Date:

McKay Cil Corporation.

ROY L. MCKAY, PRESIDENT

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

≥.OIL & STREET ADDRESS: ONE McKay Place Roswell, N.M. 88201 • Fax No. 505 / 624 - 2202

November 7, 2005

Bureau of Land Management

Attn: Armando Lopez 2909 W. Second Street Roswell, NM 88201-2019

RE:

Miller B Fed #3

1980' FSL, 660' FWL, Lot 3, Sec 7, T6S, R23E

Chaves County, New Mexico

Spud 9/17/05

DEVIATION SURVEY

 ½°
 @
 500'

 ½°
 @
 1000'

 ½°
 @
 1490'

 ¾°
 @
 1990'

 ¾°
 @
 2490'

 ½°
 @
 3134'

 ¾°
 @
 3478'

% @ 4023'

TD 4356'

Released Date 10/19/05

Sincerely,

April McKay

Vice President

STATE OF NEW MEXICO)

COUNTY OF CHAVES

OFFICIAL SEAL
LISA SIENKIEWICH
NOTARY PUBLIC
S STATE OF NEW MEXICO

The foregoing instrument was Acknowledged before me this <u>7th day of November</u>, <u>2005</u>, by the person known to me to be April McKay.

My Commission Expires: June 27, 2009

Notary Public

LEASES .

PRODUCTION

INVESTMENTS