

Brian
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APDForm 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

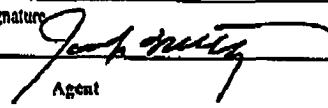
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		1. Lease Serial No. N 36193	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator McKay Oil Corporation		7. If Unit or CA Agreement, Name and No.	
3a. Address PO Box 2014 Roswell NM, 88202-2014		8. Lease Name and Well No. Four Mile Draw B Federal 7Y	
3b. Phone No. (include area code) 505-623-4735		9. AP Well No. 30-005-63900	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 695' FSL & 660' FWL Sec. 15, T6S, R22E At proposed prod. zone 695' FSL & 2130' FEL Sec. 15, T6S, R22E		10. Field and Pool, or Exploratory Pecos ABO Slope	
14. Distance in miles and direction from nearest town or post office* Approximately 25 miles		11. Sec. T, R, M. or Blk. and Survey or Area T 6S, R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 927.51	17. Spacing Unit dedicated to this well 160'	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2000'	19. Proposed Depth 3,200'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4358'	22. Approximate date work will start* 02/23/2007	23. Estimated duration 7 10 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) James Schultz	Date 02/23/2007
Title Agent		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Monday, February 26, 2007 10:00 AM
To: 'Carol Shanks'
Subject: Four Mile Draw B Federal # 7Y

Hi Carol,

The API # for the above noted well is: 30-005-63900.

Please note as this is a directionally drilled well, I will need the following:

Directional drill surveys

A current (up to date) NMOCD form C-102 that shows the project area, producing area and point of penetration for the Abo formation.

On NMOCD form C-104 the actual bottom hole location of the well bore.

The NSL reference number for this well.

I cannot sign off on the C-104 form until I get a NSL number.

Please call if you have any questions,

Bryan G. Arrant
District II Geologist
NMOCD-Artesia
505-748-1283 ext. 103

CC: Well file

2/26/2007