

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

OCT 07 2008

2. Name Of Operator

MCKAY OIL CORPORATION

OCD-ARTESIA

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-2014

3b. Phone No. (include area code)

505-623-4735

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL, & 2080' FWL, UNIT K, SEC 18, T6S, R23E

5. Lease Serial No.

NM-32323

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

SHAKEWEED B FEDERAL #1

9. API Well No.

30-005-64002

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commence Drilling</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Operations,</u>

13. Described Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- Operator wishes to move rig back to location and commence drilling. Surface casing was set on 8/2/08 with 19jts of 8 5/8" casing to 860'.
- Water and cutting removal from pit will be completed 10/1/08. Soil samples will be taken on 10/01/08 to identify the specific spill area and regional chloride content, as stated in C114-OCD Report. Remediation will be completed in accordance with OCD requirements upon pit closure.
- Operator will re-line the reserve pit and resume drilling on 10/2/08.

DENIED

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CAROL SHANKS

Signature

Carol Shanks

Title

PRODUCTION ANALYST

Date

9/29/2008

ACCEPTED FOR RECORD

OCT 07 2008

Gerry Guve, Deputy Field Inspector

NMOCD-District II ARTESIA

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

/S/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

SEP 30 2008

Conditions of approval, if any, are attached. Approval of this notice 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.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Pit was designed for air drilling, but operator is now using fluid system. Current pit cannot hold fluid contents and meet original COA's of authorized Permit.