

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-005-63614 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> State Oil & Gas Lease No. NM118-8
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG													
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____			7. Lease Name or Unit Agreement Name MCKAY WINSTON "C" #1										
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER RECEIVED			8. Well No. #1										
2. Name of Operator MCKAY OIL CORPORATION			9. Pool name or Wildcat WEST PECOS ABO SLOPE										
3. Address of Operator PO BOX 2014 ROSWELL, NM 88202-2014			OCD-ARTESIA										
4. Well Location Unit Letter <u>LOT 4</u> : <u>660</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>3</u> Township <u>8S</u> Range <u>26E</u> NMPM Chaves County													
10. Date Spudded 10/14/03	11. Date T.D. Reached 10/26/03	12. Date Compl. (Ready to Prod.) 1/9/04	13. Elevations (DF& RKB, RT, GR, etc.) 3749	14. Elev. Casinghead									
15. Total Depth 4800	16. Plug Back T.D. 4780	17. If Multiple Compl. How Many Zones? 1	18. Intervals Drilled By TD	Rotary Tools	Cable Tools								
19. Producing Interval(s), of this completion - Top, Bottom, Name 4306 - 4353 Upper Abo				20. Was Directional Survey Made NO									
21. Type Electric and Other Logs Run Cement Bond, Comp Neutron, Lateralog, Perf Record				22. Was Well Cored NO									
23. CASING RECORD (Report all strings set in well)													
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED								
8 5/8"	23	990	12 1/4	500 sks Halliburton Light									
5 1/2"	15.5	4821	7 7/8	275 sks Class C Prem +									
24. LINER RECORD			25. TUBING RECORD										
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE								
					DEPTH SET								
					PACKER SET								
26. Perforation record (interval, size, and number) 4754' - 4760' (4 spf) 4" 28 4331' - 4353' (4 spf) 4" 92 4306' - 4310' (4 spf) 4" 16			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">DEPTH INTERVAL</th> <th style="width:50%;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>4754 - 4760</td> <td>1000 gals of 15% NEFEHCL flush 4% KCl</td> </tr> <tr> <td>4331 - 4353</td> <td>1500 gals of 15% NEFEHCL flush 4% KCl</td> </tr> <tr> <td>4306 - 4310</td> <td>1500 gals of 15% NEFEHCL flush 4% KCl</td> </tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	4754 - 4760	1000 gals of 15% NEFEHCL flush 4% KCl	4331 - 4353	1500 gals of 15% NEFEHCL flush 4% KCl	4306 - 4310	1500 gals of 15% NEFEHCL flush 4% KCl
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28. PRODUCTION													
Date First Production 1/9/04		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing									
Date of Test 1/9/04	Hours Tested 4	Choke Size 32/64	Prod'n For Test Period	Oil - Bbl NONE	Gas - MCF 524								
		Water - Bbl. NONE	Gas - Oil Ratio										
Flow Tubing Press. N/A	Casing Pressure 500	Calculated 24-Hour Rate	Oil - Bbl. NONE	Gas - MCF 3144	Water - Bbl. NONE								
		Oil Gravity - API - (Corr.) N/A											
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By Jim Robinson								
30. List Attachments													
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief													
Signature		Printed Name Nanette Whittington		Title Production Analyst									
E-mail Address: nanette@mckayoil.com		Date 1/12/04											

WELL NAME AND NUMBER McKay Winston "C" No. 1
LOCATION 660' FWL & 660' FNL, Section 3, R26E, Lot 4, Chaves County NM
OPERATOR McKay Oil Corporation
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1° 511'</u>	<u> </u>	<u> </u>
<u>1/2° 1030'</u>	<u> </u>	<u> </u>
<u>1/2° 1532'</u>	<u> </u>	<u> </u>
<u>1/2° 2035'</u>	<u> </u>	<u> </u>
<u>1-3/4° 2540'</u>	<u> </u>	<u> </u>
<u>1° 3011'</u>	<u> </u>	<u> </u>
<u>1/2° 3513'</u>	<u> </u>	<u> </u>
<u>1-1/4° 4016'</u>	<u> </u>	<u> </u>

RECEIVED

JAN 14 2004

OCD-ARTESIA

Drilling Contractor United Drilling, Inc.

By: George A. Aho
George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 29th day of October,
2003.

Carlue Martin
Notary Public

My Commission Expires: 10-04-04

Chaves New Mexico
County State