

NM Oil Cons. Commission

Drawer DD

Artesia, NM 88210

SUBMIT IN TRIPL. PK.

(Enter instructions on  
reverse side)

Form approved.

Budget Bureau No. 42-R1425.

30-005-62396

UNITED STATES  
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-36189	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDICATED, ALLOTMENT OR TRACT NAME	
2. NAME OF OPERATOR McKay Oil Corporation		7. UNIT ASSIGNMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico 88202		8. FARM OR LEASE NAME McKay Fed.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface: 2310 FNL-660FEL At proposed prod. zone: Same		9. WELL NO. 2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 28 Miles Northwest of Roswell, NM		10. FIELD AND POOL, OR WILDCAT W. Pecos Slope Abo	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec. 33-5S-21E	
16. NO. OF ACRES IN LEASE 1800		12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160.0		13. STATE NM	
18. PROPOSED DEPTH 3,400'		19. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4354GL		22. APPROX. DATE WORK WILL START ASAP	

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0 J-55	900'	850 cf cement circulated
7 7/8"	4 1/2"	9.5 J-55	TD	1200 cf cement including 480 cf to tie in 4 1/2" to 8 5/8" from 1500' to 900'.

We propose to drill and test the Abo formation. Approximately 900' of surface casing will be set and cemented to surface. If commercial, 4 1/2" production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: See Supplemental Drilling Data Which is Attached.

BOP PROGRAM: BOP will be installed on 8 5/8" casing and tested daily.

Gas is not dedicated.

Posted ID-1  
NL, API  
1-16-87

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

SIGNED [Signature] TITLE Landman DATE 12-24-86  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY S/Homer Meyer, Acting TITLE Area Manager DATE DEC 31 1986

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION 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.

All distances must be from the outer boundaries of the Section.

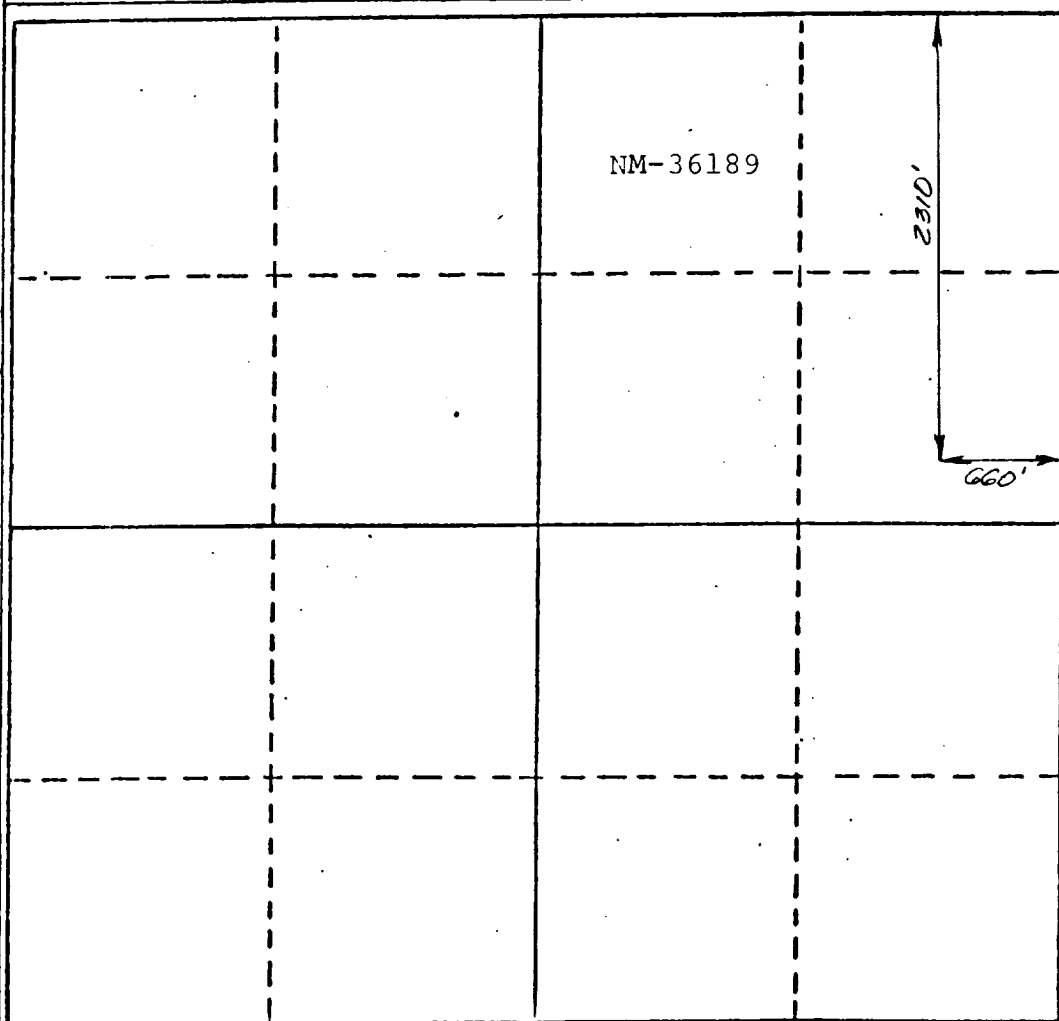
Operator McKay Oil Corporation		Lease McKay Federal		Well No. #2
Unit Letter H	Section 33	Township 5 South	Range 21 East	County Chaves
Actual Footage Location of Well:				
2310	feet from the North	line and	660	feet from the East
Ground Level Elev. 4354	Producing Formation Abo	Pool W. Pecos Slope Abo	Dedicated Acreage 160	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
Sam L. Shackelford

Position  
Agent

Company  
McKay Oil Corp.

Date  
12-24-86

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

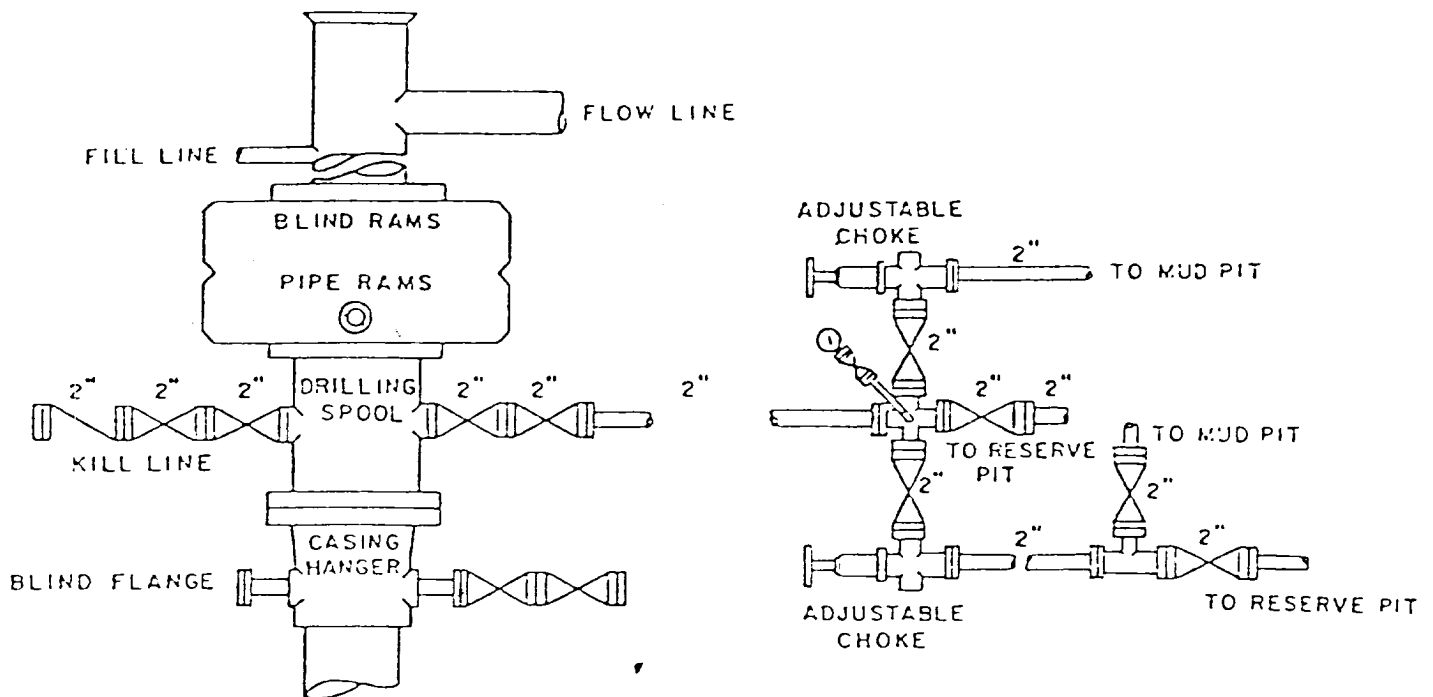
Date Surveyed  
December 19, 1986

Registered Professional Engineer and/or Land Surveyor  
John D. Jaquess, P.E. & L.S.

Certificate No. 6290

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

MCKAY OIL CORPORATION  
McKay Federal #2  
SE/4NE/4 Sec. 33-5S-21E  
Chaves County, New Mexico



BOP DIAGRAM

3000# Working Pressure  
Rams Operated Daily

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION  
McKay Federal #2  
SE/4NE/4 Sec. 33-5S-21E  
Chaves County, N.M.

NM 36189



The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yeso	-	765
Tubb	-	2467'
Abo	-	3167'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	-	In surface formations above 600'
Gas	-	In Abo formation below 3167'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

0'- 700'	Lime and gel, spud mud, viscosity 32 to 34 seconds.
700'- 3067	Fresh water
3067'- TD	Start mudding up at 3067'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

Mud additives will be used to control water loss.
7. AUXILIARY EQUIPMENT: full-opening drill string safety valve fit the drill string in use, will be kept on the rig floor at all times.

MCKAY OIL CORPORATION  
 McKay Federal #2  
 SE/4NE/4 Sec. 33-5S-21E  
 Chaves County, New Mexico

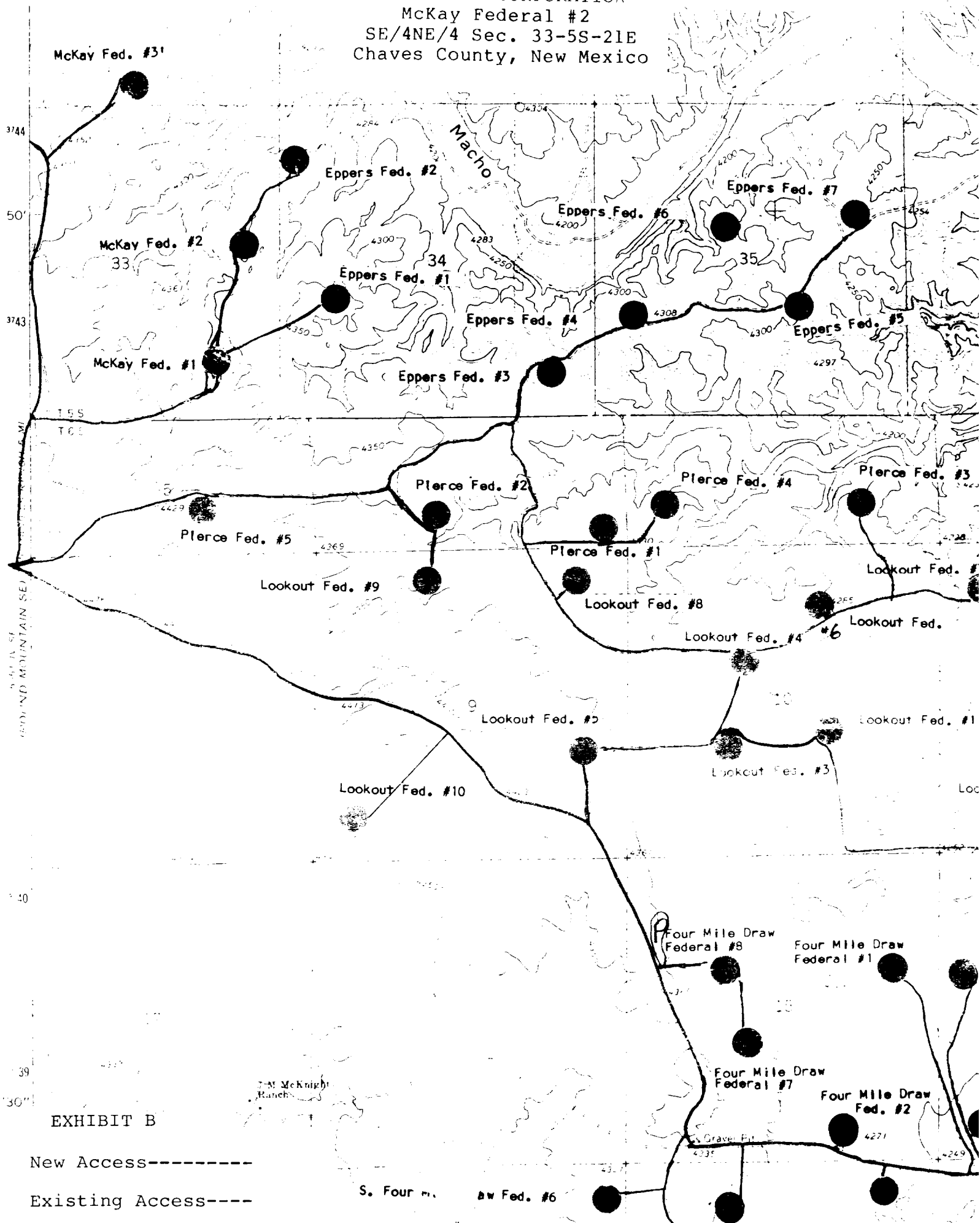


EXHIBIT B

New Access-----

Existing Access----

MCKAY OIL CORPORATION  
McKay Federal #2  
SE/4NE/4 Sec. 33-5S-21E  
Chaves County, New Mexico

