

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088

DEC 26 1992

OIL CON. DIV.
DIST. 3

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Sanchez	
8. Well No. 1	
9. Pool name or Wildcat Aztec Fruitland	
10. Proposed Depth 1750	
11. Formation Pictured Cliff	
12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) GR	
14. Kind & Status Plug. Bond NATION wide	
15. Drilling Contractor unknown	
16. Approx. Date Work will start March 15, 1993	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>					
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator Horace F. McKay, Jr.					
3. Address of Operator P.O. Box 14738, Albuquerque, New Mexico 87191					
4. Well Location Unit Letter <u>I</u> : <u>2180</u> Feet From The <u>south</u> Line and <u>1220</u> Feet From The <u>west</u> Line Section <u>19</u> Township <u>29N</u> Range <u>10W</u> NMPM San Juan County					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
3 7/8	2 7/8	6.4	1750	65	

Operator proposes to deepen well by drilling out of the 4 1/2", 9.5 #/ft. casing, set at 1620' KB with a 3 7/8" drill bit. The new hold will be drilled with the use of a blowout preventer with appropriate kill lines and chokes. Water based drilling mudwill be used to drill the well to 1750' GR. The fruitland Coal and Picture Cliffs sands will be evaluated using electric logs. If either formation appears to have natural gas potential, 2 7/8" non-upset 6.40#/ft. tubing will be set at TD and cemented to surface with 65 sks (82 cf) 50/50 pozmix, containing 2% Gel. The sand or coal formation will be perforated and hydraulically fractured to make a natural gas completion.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE William J. Mayhew TITLE General Manager DATE 12/9/92
TYPE OR PRINT NAME William J. Mayhew TELEPHONE NO. 505-246-5501

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JAN 12 1993
CONDITIONS OF APPROVAL, IF ANY:

Hold Casing for 1st