

CMD : ONGARD 02/05/04 16:08:10  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP70

OGRID Idn : 14424 API Well No: 30563639 APD Status(A/C/P): A  
Opr Name, Addr: MCKAY OIL CORP Aprvl/Cncl Date : 09-03-2003  
#1 MCKAY PL  
ROSWELL,NM 88201

Prop Idn: 21675 SOUTH FOUR MILE DRAW B FEDERAL COM Well No: 8Y

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: 0	22	06S	22E			FTG 708 F S	FTG 2129 F E
OCD U/L	: 0		API County	: 5				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4255

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 3200 Prpsd Frmtn : W PECOS SLOPE ABO

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210



Form 3160-3  
(September 2003)

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-36194	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input 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 P.O. Box 2014 Roswell, NM		8. Lease Name and Well No. S4 Mile Draw "B" Fe	
3b. Phone No. (include area code) 505-623-4735		9. API Well No. Com #84 <del>30-005-63639</del>	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 708' FSL & 2129' FEL At proposed prod. zone		10. Field and Pool, or Exploratory W. Pecos Slope ABO	
14. Distance in miles and direction from nearest town or post office* Approximately 25 Miles north of Roswell		11. Sec., T., R., M., or Blk. and Survey or Arc. Sec 22, T6S, R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 708'		12. County or Parish Chaves	
16. No. of Acres in lease 2,520		13. State NM	
17. Spacing Unit dedicated to this well 160.00		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1150'	
19. Proposed Depth 3,200'		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,255'		22. Approximate date work will start* August 31, 2003	
		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 (Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by authorized officer.

25. Signature: *[Signature]* Name (Printed/Typed): April D. McKay Date: 8/19/03

Title: VP

Approved by (Signature): *[Signature]* Name (Printed/Typed): LARRY D. BRAY Date: SEP 03 2003

Title: Assistant Field Manager, Office: ROSWELL FIELD OFFICE

Application approval does not constitute a finding of title. 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 reverse)

MOC spudded this well on May 13, 1998. Rig Collapsed and dry hole marker placed November 22, 2002. Sundry filed on 7/21/03 to move well bore 17' to the west. Existing pad will be used. Location still good. New acrea and dedication plat attached.

**NSL**

APPROVED FOR 1 YEAR

District I  
 PQ Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

RECEIVED AUG 18 2003

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name			6 Well Number
		S 4 MILE DRAW FED COM "B"			8
7 OGRID No.		8 Operator Name			9 Elevation
		McKAY OIL CORP.			4255

10 Surface Location

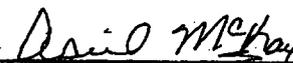
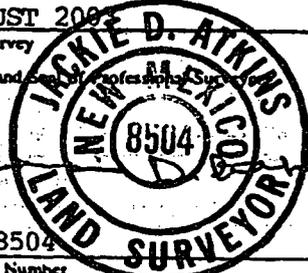
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	22	6S	22E		708	SOUTH	2129	EAST	CHAVES

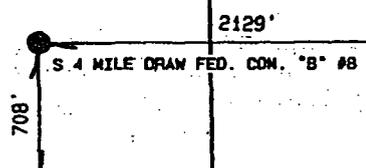
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	17 OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
	 Signature		
	Printed Name April McKay Title V.P. Date 8/19/03		
16	18 SURVEYOR CERTIFICATION		
	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 belief.		
	Date of Survey AUGUST 2003		
	Signature and Seal of Professional Surveyor  LS 8504 Certificate Number		



**PERTINENT INFORMATION**

FOR

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

<b><u>LOCATED:</u></b>	24 air miles Northwest of Roswell, NM.
<b><u>LEASE NUMBER:</u></b>	NM-36194
<b><u>LEASE ISSUED:</u></b>	May 1, 1981
<b><u>RECORD LESSEE:</u></b>	McKay Oil Corporation McKay Children's Trust
<b><u>BOND COVERAGE:</u></b>	Operator's \$25,000 Statewide
<b><u>AUTHORITY TO OPERATE:</u></b>	Assignment of Operating Rights
<b><u>ACRES IN LEASE:</u></b>	2,520.00 acres, more or less
<b><u>SURFACE OWNERSHIP:</u></b>	Federal
<b><u>OWNER:</u></b>	USA-BLM
<b><u>POOL RULES:</u></b>	General Statewide Rules
<b><u>EXHIBITS:</u></b>	A. Road and Well Map B. Contour Map C. Rig Layout D. BOP Diagram E. Lease Map F. Location Topography

**SUPPLEMENTAL DRILLING DATA**

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

The following items supplement Form 3160-3 in accordance with instruction contained in Onshore Oil and Gas Order No. 1:

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS:  
Yeso - 876'  
Tubb - 2372'  
Abo - ~~3052'~~ 2625'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:  
Fresh Water - In surface formation above 600'  
Gas - In Abo Formation below 3052'
4. PROPOSED CASING PROGRAM: See Form 3160-3
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of *2 ram, 2M*  
*w/* Rotary Head with a rotating rubber with 1,000#WP and 1,000# test pressure and a steel Blooey Line with 1,000#WP valve. A sketch of the BOP is attached.
6. CIRCULATION MEDIUM: Air Drilling
7. AUXILIARY EQUIPMENT: Full-opening drill string safety valve fit for the drill string in use, will be kept on the rig floor at all times.

8. TESTING, LOGGING AND CORING PROGRAM:

Samples: Catch samples from surface to TD.  
DST's: None.  
Logging: GR-CNL, Dual Lateral MSFL from  
surface to TD.  
Coring: None.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated.

10. ANTICIPATED STARTING DATE: On or before 1-15-97  
Drilling should be completed within 60 days. Completion  
operations (perforations and stimulation) will follow drilling operations.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

NM 36194

This plan is submitted with the application for permit to drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

### **1. EXISTING ROADS:**

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well is staked. the well is approximately 23 miles north of Roswell, NM.
- B. Directions: Heading North out of Roswell, New Mexico on U.S. 285 for approximately 23 miles and turn left on county road just before mile marker 137 (Cottonwood Road). Go approximately 8.5 miles, then turn left just after the gravel pit, then go approximately 1/2 mile southeast to the access road for the South 4 Mile Draw Federal #8, the new access road for the proposed well will be immediately south of said location.

### **2. PLANNED ACCESS ROAD:**

- A. Length and Width: 1/4 miles long and 20' wide.
- B. Surface Materials: Sand, gravel and caliche where needed.
- C. Turnouts: None
- D. Maximum Grade: Nor more than 3%.
- E. Drain Design: Road will have drainage ditches on both sides and a crowned top, with culverts and/or low water crossings as necessary.
- F. Culverts: None.
- G. Cuts and Fill: None.

H. Gates, Cattleguards: NONE.

I. Top Soil: Very little.

3. LOCATION OF EXISTING WELLS:

A. A map indicating the location of adjacent wells is attached.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A: See Exhibit "A" for location of existing lease wells. If the well is commercial, production facilities and tank battery will be constructed.

B. Cuts and Fills: Less than 10' of cut and fill will be required for the pad size of 235' x 270'. (See Exhibit "F")

C. Top Soil: Any top soil which can sustain plant vegetation will be bladed and piled for future rehabilitation.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be purchased from a commercial source and trucked to the location over existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Private Pit. To be determined at a later date.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt or deposited in an approved sanitary landfill. All waste material will be contained by a netted container to prevent scattering by the wind.

F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" indicates the relation location and dimensions of the well pad, mud pits, reserve pit and major rig equipment.

B. The location slopes very slightly to the southwest.

C. The reserve pit will be lined with plastic to prevent loss of water.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing conditions as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the well is non-productive or abandoned, the disturbed area will be rehabilitated using the preserved soil mentioned in 2.I. and 4.C.

11. OTHER INFORMATION:

A. Topography: The topography is a gradual slope to the southwest in the vicinity of the access road and southwest in the vicinity of the drill pad. Regional slope is south toward the China Draw which is adjacent to the location.

B. Soil: Sandy loam with limestone outcropping.

C. Flora and Fauna: The flora consists of typical desert vegetation, such as yucca, cactus and various grasses. Fauna consists of desert wildlife such as coyotes, rodents, snakes, deer and antelope.

D. Ponds and Streams: China Draw is adjacent to the proposed location.

E. Residences and other Structures: The McKnight ranch house is approximately 2 1/2 miles east of this location.

F. Archaeological, Historical and Other Cultural Sites: Mr. Richard Coleman of Trigon Engineering Inc., Farmington, New Mexico has conducted archeological examinations of the proposed drillsites and has submitted his findings to the BLM.

G. Land Use: Grazing.

H. Surface Ownership: Federal.

12. OPERATOR'S REPRESENTATIVE:

Gary Richburg  
Roswell, New Mexico  
(505) 623-4735

13. CERTIFICATION:

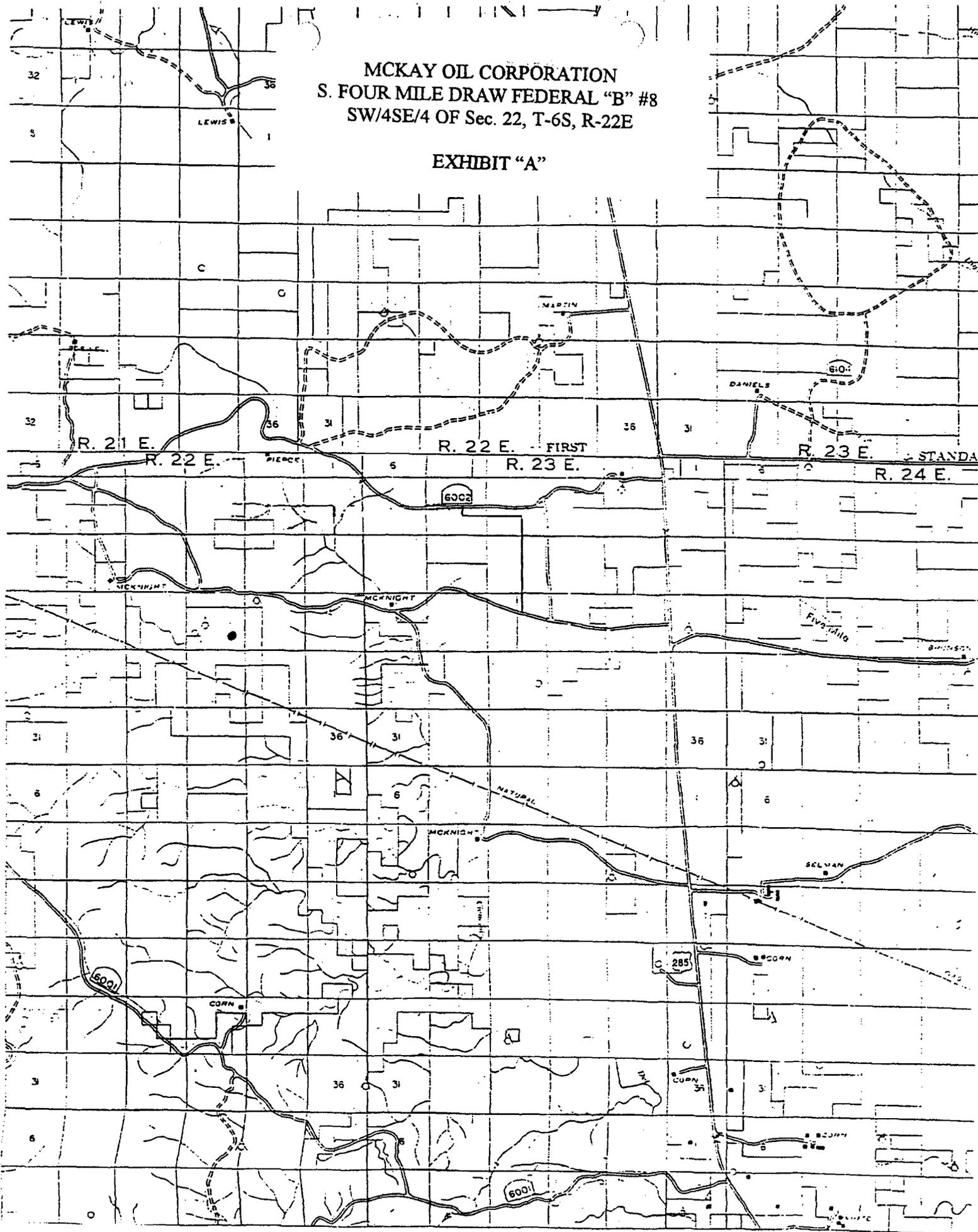
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by MCKAY OIL CORPORATION and its subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.

12-12-96  
DATE

Billy McLeod

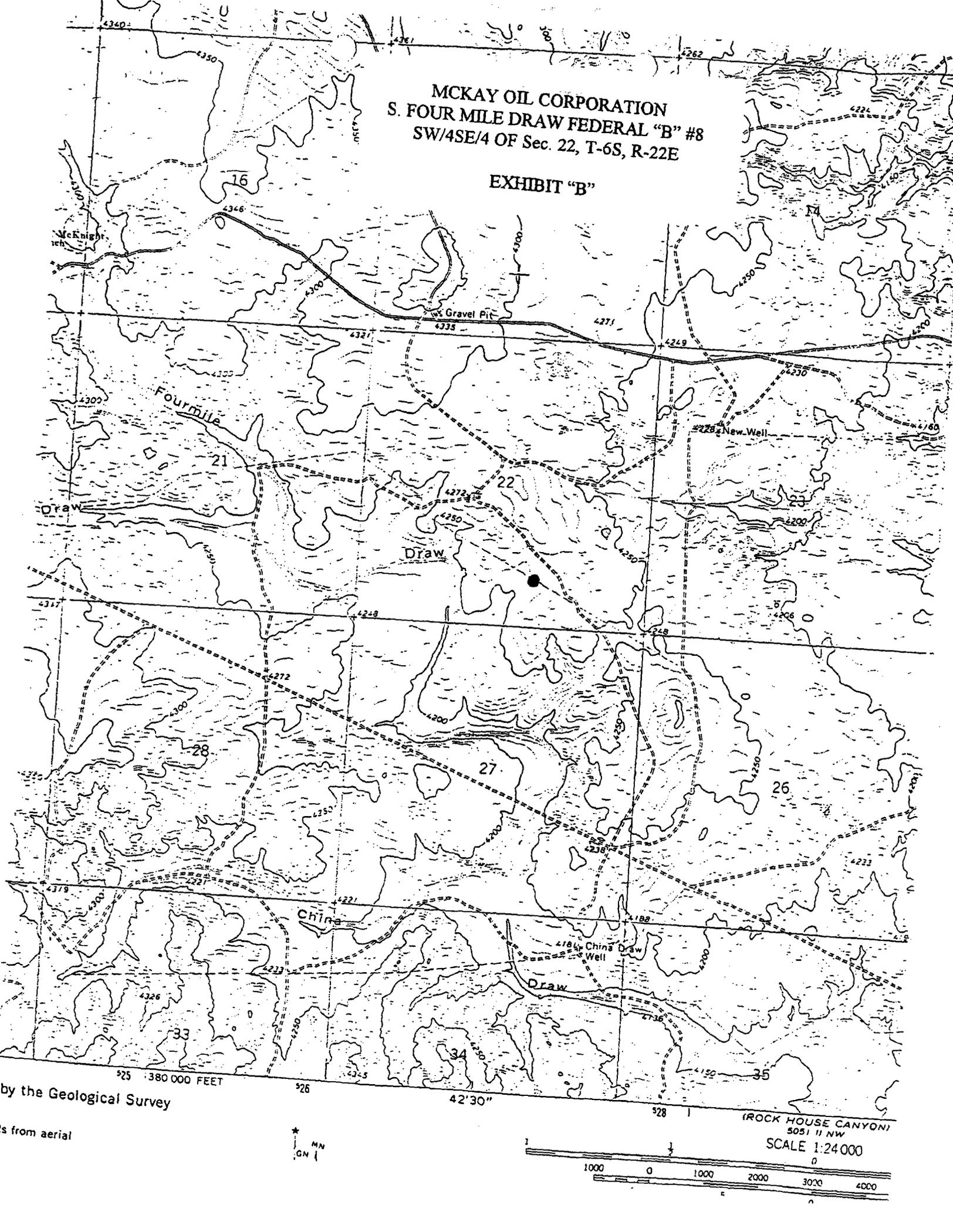
MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "A"



MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

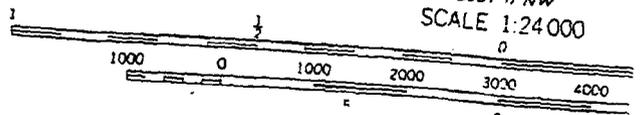
EXHIBIT "B"



by the Geological Survey

s from aerial

MN  
GN

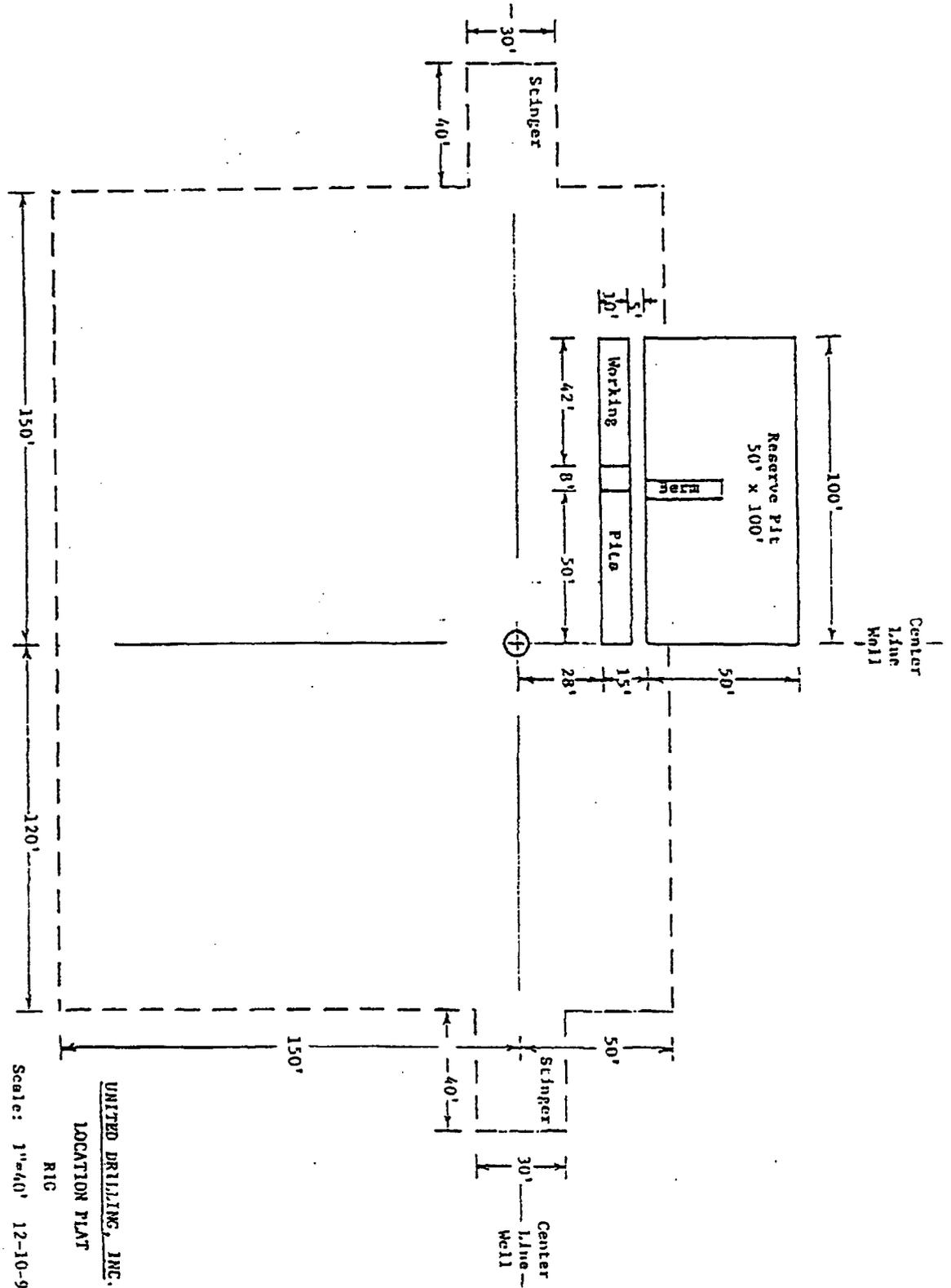


(ROCK HOUSE CANYON)  
5051 11 NW

SCALE 1:24 000

MCKAY OIL CORPORATION  
 S. FOUR MILE DRAW FEDERAL "B" #8  
 SW/4SE/4 OF Sec. 22, T-6S, R-22E

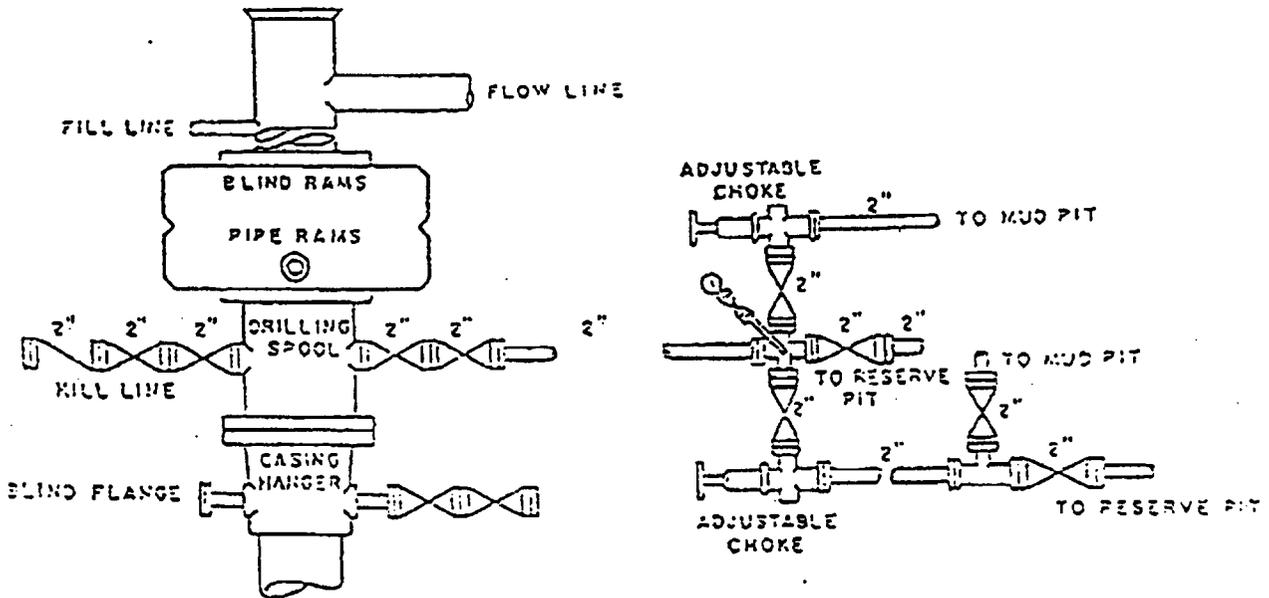
EXHIBIT "C"



UNITED DRILLING, INC.  
 LOCATION PLAT  
 RIC  
 Scale: 1"=40' 12-10-9

MCKAY OIL CORPORATION  
 S. FOUR MILE DRAW FEDERAL "B" #8  
 SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "D"

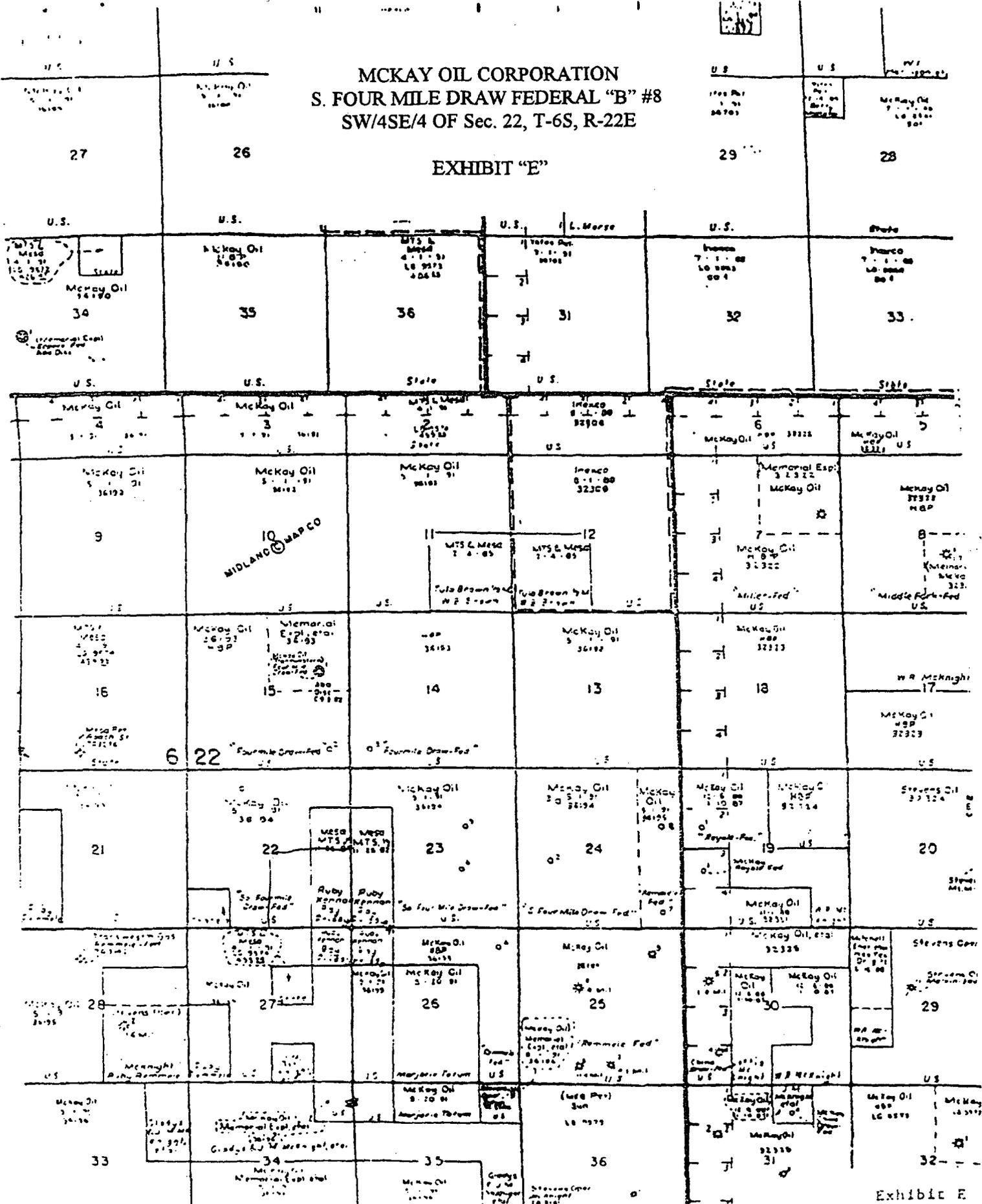


ROP DIAGRAM

3000# Working Pressure  
 Rams Operated Daily

MCKAY OIL CORPORATION  
 S. FOUR MILE DRAW FEDERAL "B" #8  
 SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "E"



MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "F"

THERE IS NO EXHIBIT "F"

Oil Cons.  
N.M. Div-Dist. 2  
1801 W. Grand Avenue  
Artesia, NM 88210

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

**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**

<p>1. Type of Well  <input type="checkbox"/> Oil Well    <input checked="" type="checkbox"/> Gas Well    <input type="checkbox"/> Other</p> <p>2. Name Of Operator  <b>MCKAY OIL CORPORATION</b></p> <p>3a. Address  <b>P.O. BOX 2014 ROSWELL, NM 88202-</b></p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  <b>708' FSL &amp; 2129' FEL, SEC 22, T6S, R22E</b></p>	<p>5. Lease Serial No.  <b>NM-36194</b></p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or CA/Agreement, Name and/or No</p> <p>8. Well Name and No.  <b>S 4 Mile Draw "B" Fed Com #8Y</b></p> <p>9. API Well No.  <b>30-005- 63639</b></p> <p>10. Field and Pool, or Exploratory Area  <b>WEST PECOS ABO SLOPE</b></p> <p>11. County or Parish, State  <b>CHAVES COUNTY, NM</b></p>

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>TD</b>

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 recomplate 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.)

**MCKAY OIL CORPORATION REACHED TOTAL DEPTH OF 3220'**

**ON 9/16/03 AT 3:00 PM**  
**ACCEPTED FOR RECORD**  
  
**SEP 19 2003**  
**ARMANDO A. LOPEZ**  
**PETROLEUM ENGINEER**

<p>14. I hereby certify that the foregoing is true and correct</p> <p>Name (Printed/Typed)  <b>NANETTE WHITTINGTON</b></p> <p>Signature  </p>	<p>Title  <b>PRODUCTION ANALYST</b></p> <p>Date  <b>9/17/2003</b></p>
---	---

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By	Title	Date
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.		Office

Title 18 U.S.C. Section 1001, makes 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.

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
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5. Lease Serial No.

NM-36194

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

S 4 Mile Draw "B" Fed Com #8Y

9. API Well No.

30-005-~~00000~~ 63639

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

RECEIVED

NOV 14 2003

1. Type of Well

Oil Well  Gas Well  Other

2. Name Of Operator

MCKAY OIL CORPORATION

OCD-ARTESIA

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-

3b. Phone No. (include area code)

505-623-4735

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

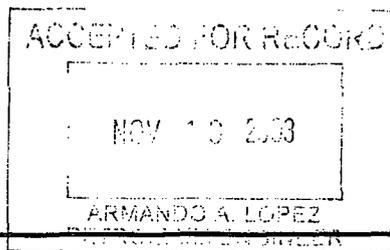
708' FSL & 2129' FEL, SEC 22, T6S, R22E

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

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<input checked="" 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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	INT CSG

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.)

9/18/03 RAN 74 JOINTS OF 5 1/2" J-55 15.5# CSG, SET AT @ 3200'. PUMPED 250 SACKS 50/50 POZ PLUG DOWN 5:00 PM



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

Name (Printed/Typed)

NANETTE WHITTINGTON

Signature

*Nanette Whittington*

Title

PRODUCTION ANALYST

Date

11/6/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

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.

Office

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(Instructions on reverse)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
NM-36194

1a. Type of Well  Oil Well  Gas Well  Dry Other

b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Resrv.,  
Other \_\_\_\_\_

2. Name of Operator  
McKay Oil Corporation P.O. Box 2014 Roswell, NM88202

3. Address P.O. Box 2014 Roswell, NM88202 3a. Phone No. (include area code) 505-623-4735

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At surface 708' FSL & 2129' FEL  
At top prod. interval reported below  
At total depth

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.  
S4 Mile Draw B Fed Com 8

9. API Well No.  
30-005-63639

10. Field and Pool, or Exploratory  
Pecos Slope ABO

11. Sec., T., R., M., on Block and Survey or Area S22, T6S, R22E

12. County or Parish Chaves 13. State NM

14. Date Spudded 9/9/03 15. Date T.D. Reached 9/16/03 16. Date Completed 10/21/03  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
KB-4267', GL-4255', DF-4266'

RECEIVED  
NOV 14 2003  
OCD-ARTESIA

18. Total Depth: MD TVD 3220' 19. Plug Back T.D.: MD TVD 3154' 20. Depth Bridge Plug Set: MD Retrievable TVD 2870'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
Compensated Neutron, Perf Log and Cement Bond Log (NO Laterolog)

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit report)  
Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4									
8 5/8	J55	24#	0	942'		400 sks	class c prem circ to surf		
5 1/2	J55	15.5#		3200'		250 sks	50/50 poz		

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	3180'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) ABO	2778-	2796	18 ft	4" OD	52	
B) ABO	2898-	2920	22 ft	4" OD	120	
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
2778-2920	1000 gal of 10% HCL
2778-2920	144,000 gal of CO2 Foam + 130,000 lbs of 20/40

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/31	10/21	24	→		204				Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
34/64	3135	35	→		204			Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD  
NOV 10 2003  
ARMANDO A. LOPEZ  
PETROLEUM ENGINEER

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments: All logs and sundrys have been sent Logs 11/3/03

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) APRIL D MCKAY Title VP

Signature  Date 11/5/03

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.

WELL NAME AND NUMBER South 4 Mile Draw Federal B Com No. 8Y  
 LOCATION 708' FSL & 2129' FEL, Section 22, T6S, R22E, 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>1/2° 509'</u>	_____	_____
<u>1° 1030'</u>	_____	_____
<u>3/4° 1502'</u>	_____	_____
<u>1° 2036'</u>	_____	_____
<u>1-1/4° 1571'</u>	_____	_____
<u>3/4° 3010'</u>	_____	_____
_____	_____	_____
_____	_____	_____

Drilling Contractor United Drilling, Inc.  
 By: George A. Aho  
 Title: Business Manager

Subscribed and sworn to before me this 18<sup>th</sup> day of September, 2003.

Harold J. Sweeney  
 Notary Public

My Commission Expires: 09-25-03

Chaves NM  
 County State

*Orig → BLM  
 11/6/03*