

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

Form 3160-3
 (April 2004)

FORM APPROVED
 OMB No. 1004-0137
 Expires March 31, 2007

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 36193
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 14424		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 2014 Roswell, NM 88202-2014		8. Lease Name and Well No. Four Mile Draw B Federal 8 34883
3b. Phone No. (include area code) 505-623-4735		9. API Well No. 30-005-63756
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 510' FNL & 660' FWL At proposed prod. zone		10. Field and Pool, or Exploratory W. Pecos ABO Slope 82740
14. Distance in miles and direction from nearest town or post office* 25 Miles		11. Sec., T. R. M. or Blk. and Survey or Area Sec 15, T6S, R22E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 510'	16. No. of acres in lease 927.51	12. County or Parish Chaves
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'	17. Spacing Unit dedicated to this well 160'	13. State NM
19. Proposed Depth 4345'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4343'	22. Approximate date work will start* 05/15/2005	23. Estimated duration 7 - 10 days

RECEIVED

JUN 14 2005

OOD-ARTESIA

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 (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) James Schultz	Date 05/03/2005
Title Agent		
Approved by (Signature) 	Name (Printed/Typed) (LAW ENF. SGT.) ARMANDO A. LOPEZ	Date JUN 10 2005
Title Acting Assistant Field Manager, Lands and Minerals	Office ROSWELL FIELD OFFICE	

Application approval 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.
 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 page 2)

CEMENT TO COVER ALL OIL,
 GAS AND WATER BEARING
 ZONES

i.e., Gloriana

APPROVED FOR 1 YEAR

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I

1625 N. FRANCES DR., BOBBS, 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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 82740	Pool Name Pecos Slope, Abo, West
Property Code	Property Name FOUR MILE DRAW B FEDERAL	Well Number 8
OGRID No.	Operator Name McKAY OIL CORPORATION	Elevation 4343'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	6-S	22-E		510	NORTH	660	WEST	CHAVES

Bottom Hole Location If Different From Surface

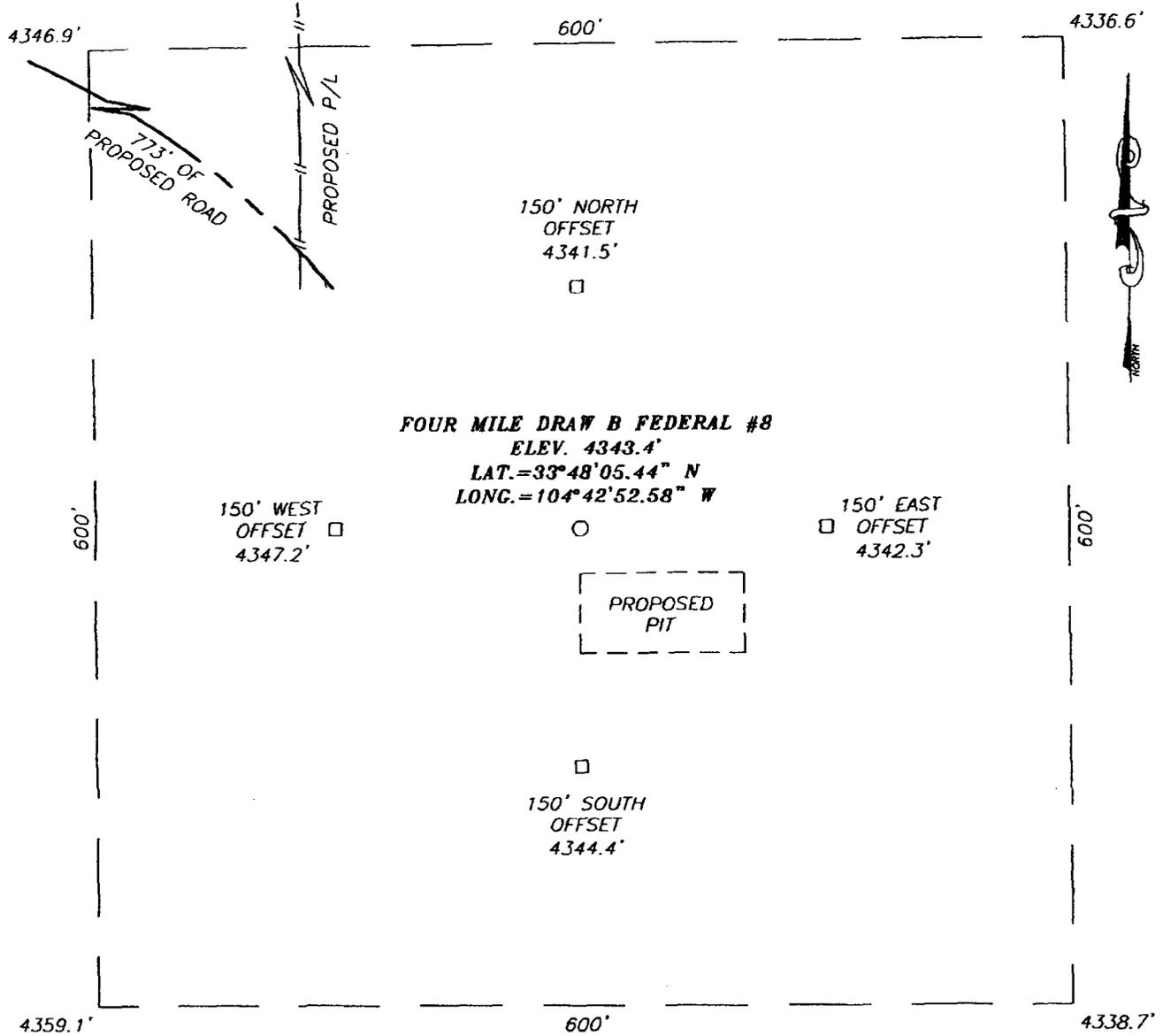
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

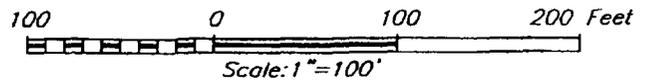
	<p>GEODETC COORDINATES NAD 27 NME</p> <p>Y=1019348.2 N X=384175.9 E</p> <p>LAT.=33°48'05.44" N LONG.=104°42'52.58" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>James Schultz</i> Signature</p> <p>James Schultz Printed Name</p> <p>Agent Title</p> <p>05/02/05 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 12, 2005 Date Surveyed</p> <p>DEL</p> <p>Signature & Seal Professional Surveyor <i>G. EIRSON</i> NEW MEXICO 04.11.1635 Certified No. GARY EIRSON 12841</p>

SECTION 15, TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF US. HWY. #285 AND CO. RD. #40 (STARGRASS). GO WEST ON STARGRASS APPROX. 8.3 MILES TO INTERSECTION OF STARGRASS AND CAMAS AND TURN RIGHT (NORTH). GO APPROX. 0.9 MILES. THIS LOCATION IS APPRX. 700' EAST OF ROAD.



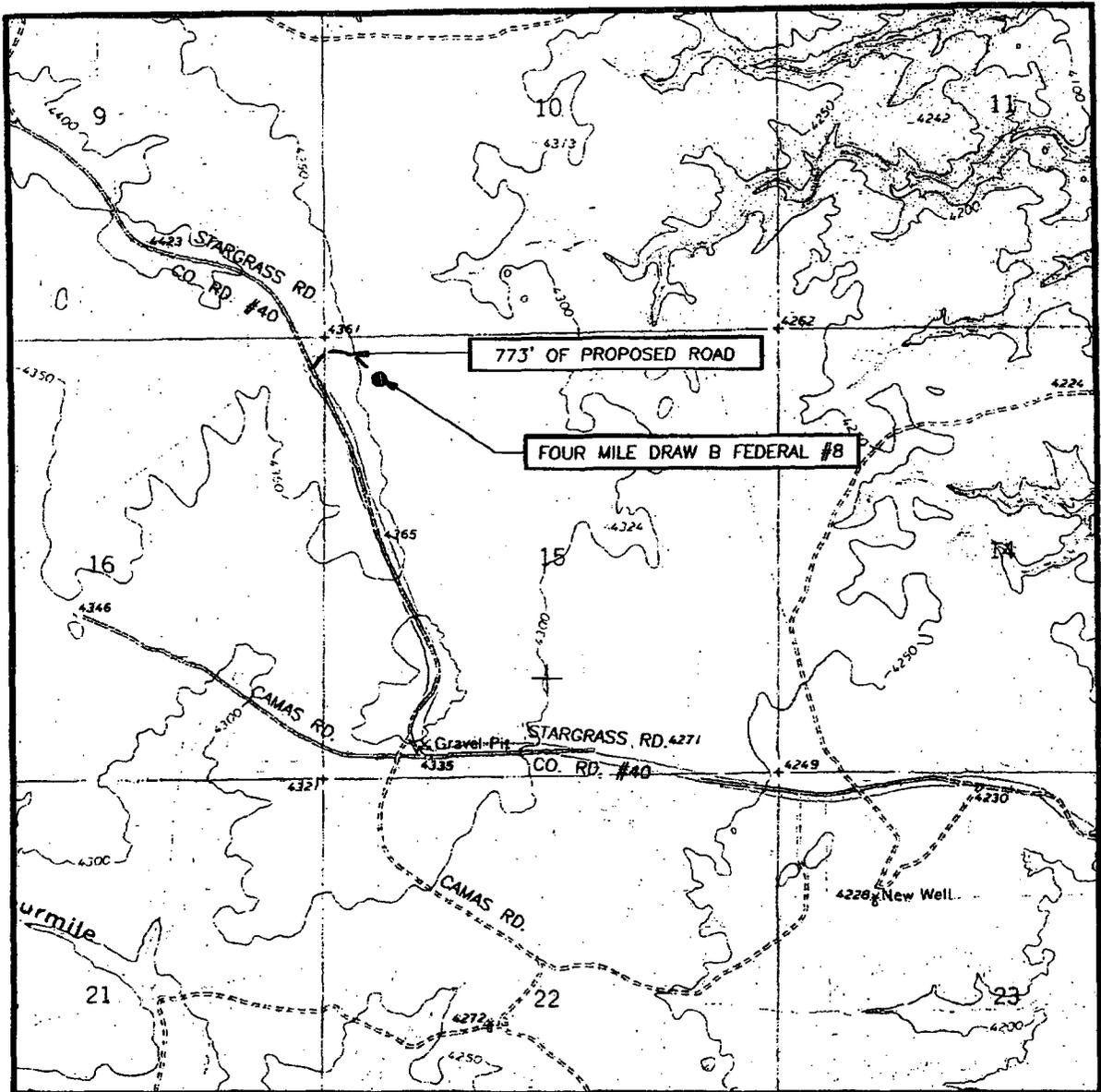
McKAY OIL CORPORATION

FOUR MILE DRAW B FEDERAL #8 WELL
 LOCATED 510 FEET FROM THE NORTH LINE
 AND 660 FEET FROM THE WEST LINE OF SECTION 15,
 TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 04/12/05	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1635	Dr By: DEL Rev 1: N/A
Date: 04/20/05	Disk: CD#4 04111635 Scale: 1" = 100'

PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (806) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MESA SW, N.M. - 10'

SEC. 15 TWP. 6-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 510' FNL & 660' FWL

ELEVATION 4343'

OPERATOR MCKAY OIL CORPORATION

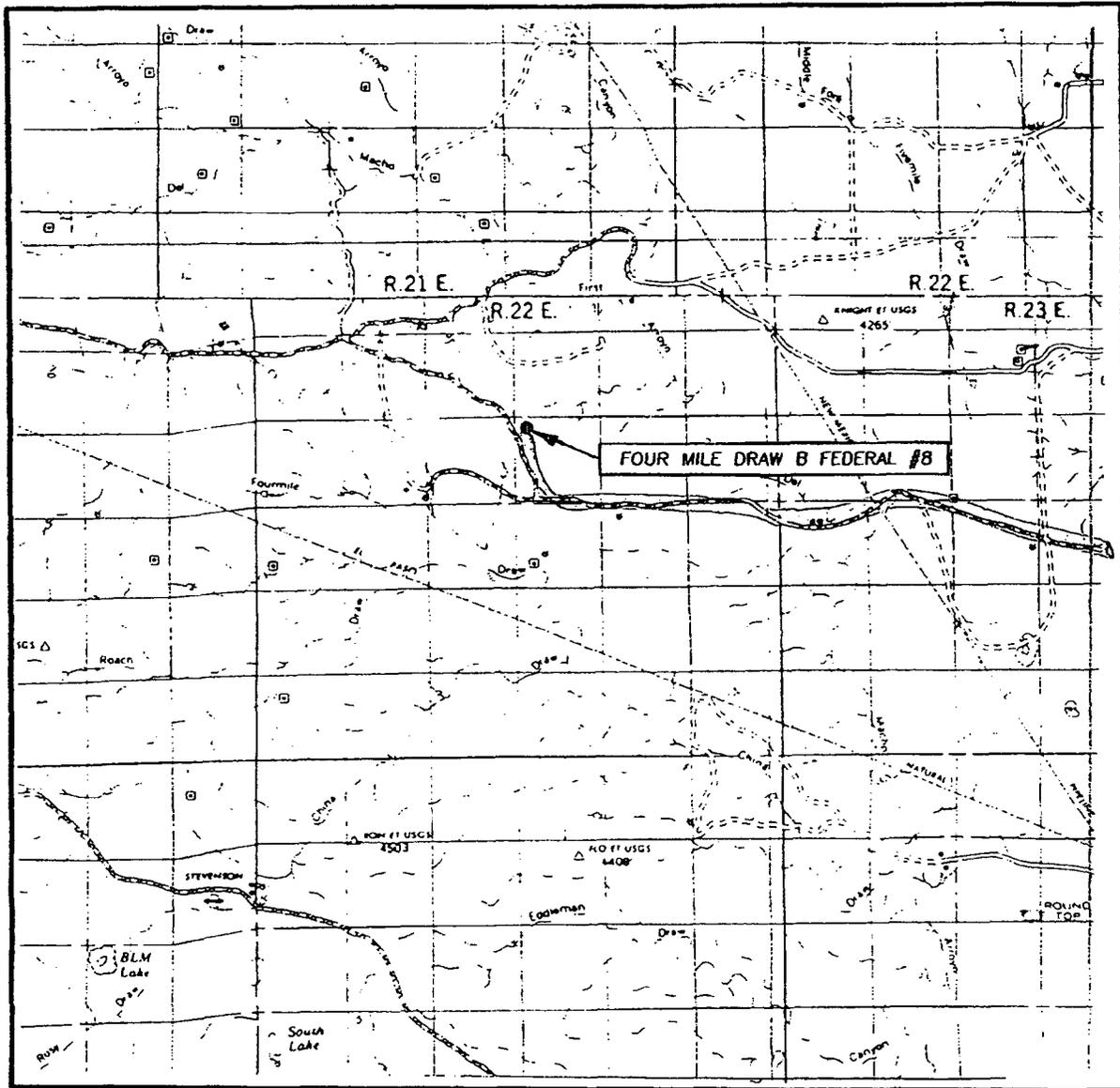
LEASE FOUR MILE B DRAW FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
MESA SW, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PAGO
 HOBBS, N.M. 88240
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VICINITY MAP



SCALE: 1" = 2 MILES

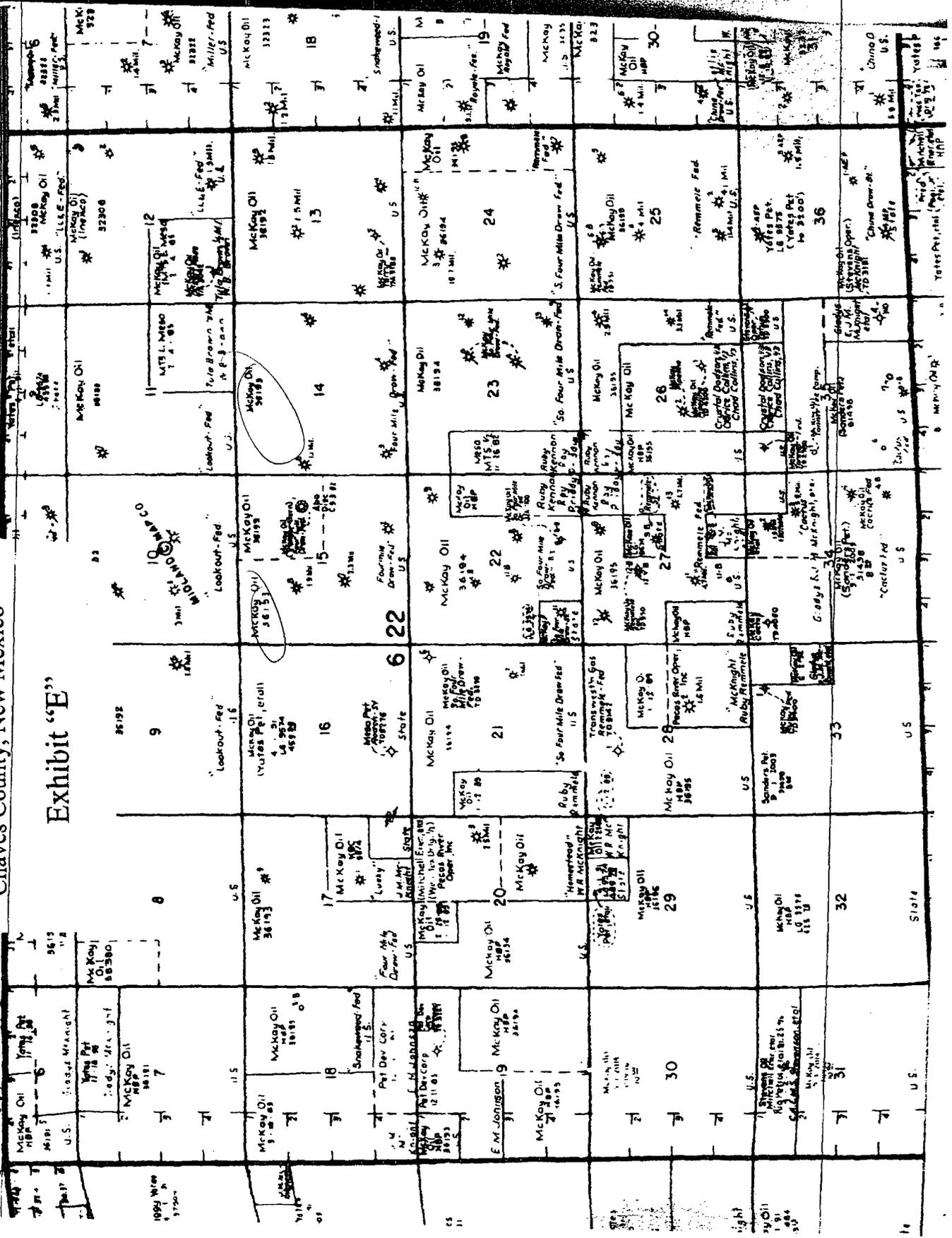
SEC. 15 TWP. 6-S RGE. 22-E
 SURVEY N.M.P.M.
 COUNTY CHAVES
 DESCRIPTION 510' FNL & 660' FWL
 ELEVATION 4343'
 OPERATOR McKAY OIL CORPORATION
 LEASE FOUR MILE DRAW B FEDERAL



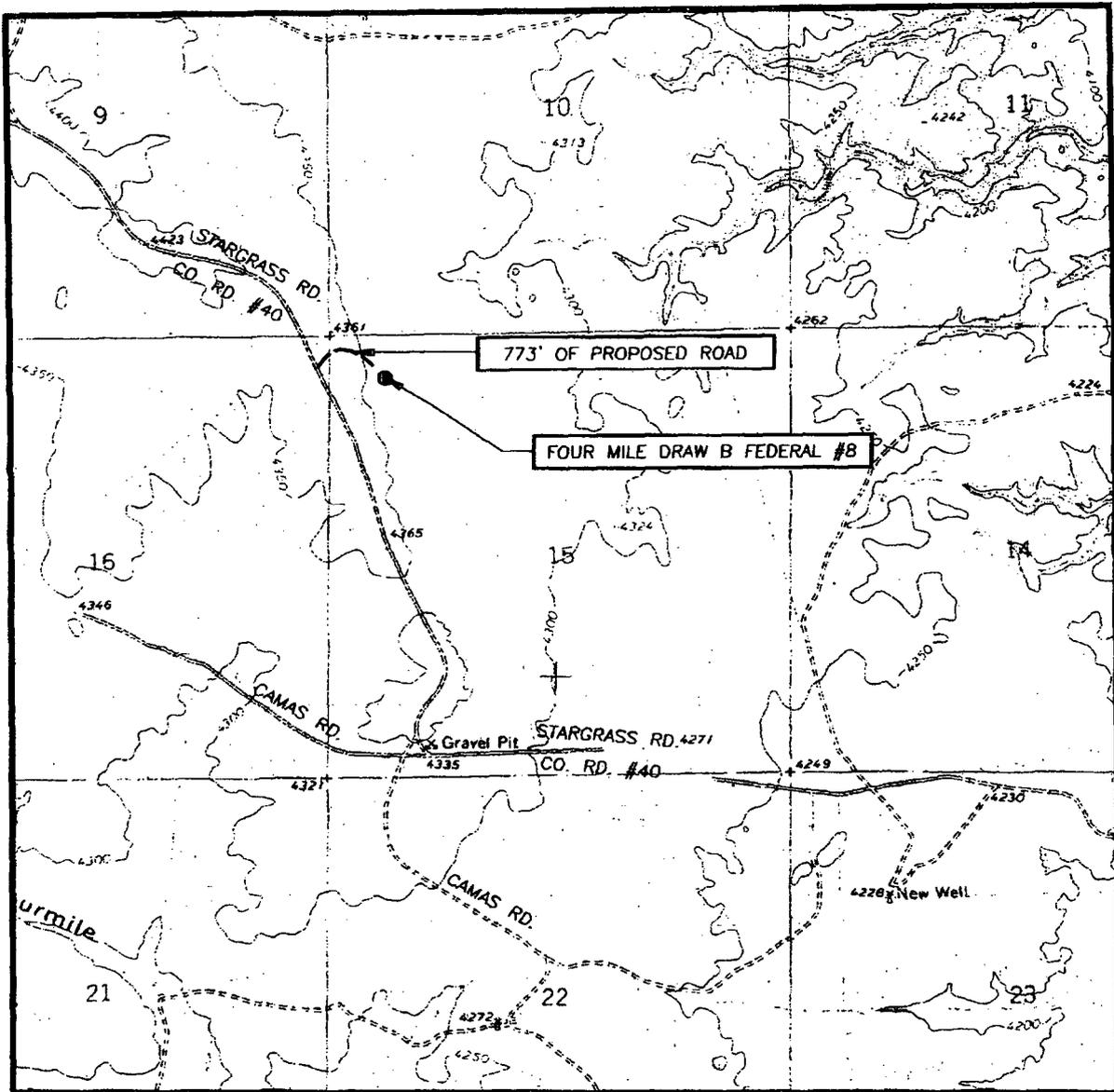
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McKay Oil Corporation Four Mile Draw B Federal #8 Section 15, T6S, R22E Chaves County, New Mexico

Exhibit "E"



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MESA SW, N.M. - 10'

SEC. 15 TWP. 6-S RGE. 22-E

SURVEY _____ N.M.P.M.

COUNTY _____ CHAVES

DESCRIPTION 510' FNL & 660' FWL

ELEVATION _____ 4343'

OPERATOR _____ McKAY OIL CORPORATION

LEASE FOUR MILE B DRAW FEDERAL

U.S.C.S. TOPOGRAPHIC MAP
MESA SW, N.M.



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