



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 23, 1988

McKay Oil Corporation
P.O. Box 2014
Roswell, NM 88202

Attention: James L. Schultz
Contracts & Land

RE: Application for an unorthodox
gas well location for the
L.L. & E. Federal Well No. 3
C-12-65-22E, Chaves County,
New Mexico.

Dear Mr. Schultz:

What pool or formation is this filing for, also in your application you stated that the BLM requested the original location be moved due to archeological finds. Please submit a copy of any correspondence concerning this matter. Since an administrative application based on geological matters is only permitted for Wolfcamp and deeper horizons spaced on 320-acres, please explain further the topographical reasons as to why this well cannot be located in one of the other three "drilling windows" within the proposed 160-acre unit.

Sincerely,

Michael E. Stogner
Petroleum Engineer

MES/ag

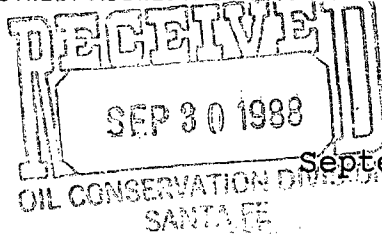
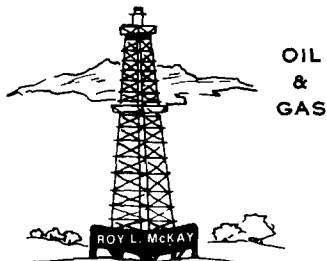
cc: Oil Conservation Division - Artesia

McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735

STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505 / 624 - 2202



September 26, 1988

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87504

Attention: Michael E. Stogner

RE: Unorthodox location
L.L. & E. Fed. #3
Sec. 12-6S-22E
Chaves County, New Mexico

Dear Mr. Stogner:

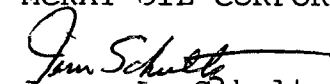
In response to your letter of September 23, 1988, the following is the additional information requested.

- (1) The formation objective for the captioned well is the Abo formation.
- (2) The BLM request was a verbal request during a field inspection between a McKay Oil Corporation and a BLM resource personel based upon previous records and a preliminary field inseptions. However, a copy of our archaeological survey report is enclosed for your reference. Please note that on page three of the report that it mentions final location. We had moved the loca-tion several times to meet all the strictions and requirements.
- (3) Please note on the enclosed topographical map that this particualr quarter section is very rugged. The cost of building a well pad and access road in another legal locations would be extremely costly, therefore the economics could not justify the drilling of this well.

Also, please be advised that the offset Operator, Mesa, has consented to our location. (See attached letter)

I trust that this information will be adequate for the approval of the requested unorthodox location.

Very truly yours,
MCKAY OIL CORPORATION


James L. Schultz

ARCHAEOLOGICAL SURVEY of the McKAY OIL CORPORATION
L.L. & E. FEDERAL WELL NO. 3 and ACCESS ROAD R/W
T6S, R22E, SECTION 12, WEST 1/2, NE/4NW/4
[660 FNL, 1485 FWL], CHAVES COUNTY, NEW MEXICO

FEDERAL LAND SURFACE (USGS 7.5', MESA, SW, N.M., 1967)

ASC Report B7-30

by Dorothy M. Griffiths, Principal Investigator
and James V. Sciscenti, Project Archaeologist

ARCHAEOLOGICAL SURVEY CONSULTANTS
P.O. Drawer D, Roswell, New Mexico 88202
[505] 623-5012

PERMIT NO.: 18-2920-84-B

February 26, 1987

Prepared for:

McKay Oil Corporation
P.O. Box 2014
Roswell, New Mexico 88202

Attention: Jim Schultz

Distribution:

✓ McKay Oil Corporation (1)
BLM - Roswell Resource Area (2)
New Mexico SHPO (1)
Griffiths (1)

ARCHAEOLOGICAL SURVEY CONSULTANTS

CULTURAL RESOURCES EXAMINATION

on lands administered by the
Department of the Interior
Bureau of Land Management
Roswell District, New Mexico

ASC PERMIT NO.: 18-2920-84-B
ASC Job No.: 87-30 [McKay Oil
Corp. L.L. & E. Fed. Well No. 3
& Access Rd. R/W T6S, R22E]

1. **ABSTRACT:** intensive archaeological survey, on federal land surface, of the McKay Oil Corp., L.L. & E. Federal Well No. 3 (400 ft. sq., 3.7 acres), and access road R/W (985 ft. long X 50 ft. wide, 1.13 acres). A total federal land surface of 4.83 acres was inspected for cultural remains.

Archaeological survey of the L.L. & E. Fed. Well # 3 final location & access road R/W revealed 2 Isolated Finds, neither of which appears significant past the level of field recording.

In addition, the archaeological survey of the L.L. & E. Fed. Well # 3 final location & access road R/W revealed the occurrence of a possible Archaic site (ASC 87-30-S1) within the access road R/W, immediately south of the L.L. & E. Fed. Well No. 4, abutting the south limits of the No. 4 pad. The access road was re-routed to avoid the site; the site is a minimum distance of 65 ft. (20 metres) west of the access road re-route.

Since ASC Site 87-30-S1 is outside of the re-routed access road R/W, & will not be impacted; and since neither of the Isolated Finds appears significant past the level of field recording:

Archaeological **CLEARANCE** for the L.L. & E. Fed. Well No. 3, and access road R/W, is **RECOMMENDED**, with the following provisos:

- a. all vehicular and construction activity **must be restricted** to the centreline (or east of the centreline) of the staked access road to the L.L. & E. Federal Well No. 3.
- b. a line of wood lath, closely spaced, should be erected along the south boundary of the L.L. & E. Fed. Well No. 4, to preclude accidental damage to SITE ASC 87-30-S1.

5. FINDINGS: BLM records do not indicate the prior recording of archaeological materials within Section 1 (T6S, R22E). BLM records indicate the prior recording of an archaeological site in the SE/4 of Sec. 12 (T6S, R22E). NM-06-3402 is ca. 1 mile from the proposed L.L. & E. Fed. Well No. 3 & access road, and will thus not be impacted.

FIELD SURVEY, L.L. & E. Fed. Well # 3 & Access

Archaeological survey of the well pad & access road R/W revealed 2 Isolated Finds; the Isolated Finds do not appear to be significant past the level of field recording; both specimens were plotted by means of compass bearings on well stations; each artifact was measured, and described in terms of relevant technological attributes. The Finds are described below.

I.F. # 1: UTM; Zone 13; 529,930mE; 3,741,550mN. T6S, R22E, Section 12, SW/4NE/4NW/4, at an elevation of ca. 4173 ft. The Find consists of 1 tan San Andres chert spall, with 5 flakes removed from one face (2.3 x 5.2 x 1.1 cms.)

I.F. # 2: UTM; Zone 13; 529,950mE; 3,741,720mN. T6S, R22E, Section 12, NW/4NE/4NW/4, at an elevation of ca. 4189 ft. The Find consists of 1 tan San Andres chert, prepared platform, primary flake, with retouch on the right lateral edge, ventral face (4.9 x 3.6 x 1.6 cms.).

6. RECOMMENDATIONS:

Since the 2 Isolated Finds do not appear to be significant past the level of field recording; and

since ASC Site 87-30-S1 is outside of the access road R/W, & will not be impacted;

Archaeological **CLEARANCE** for the L.L. & E. Fed. WELL NO. 3, and access road R/W, is **RECOMMENDED**, with the following provisos:

a. all construction, and vehicular activity must stay on the **staked centreline** of the access road to the L.L. & E. Fed. Well No. 3. No construction or vehicular activity should occur south of the L.L. & E. Fed. Well No. 4 well pad, except in the staked, designated access corridor.

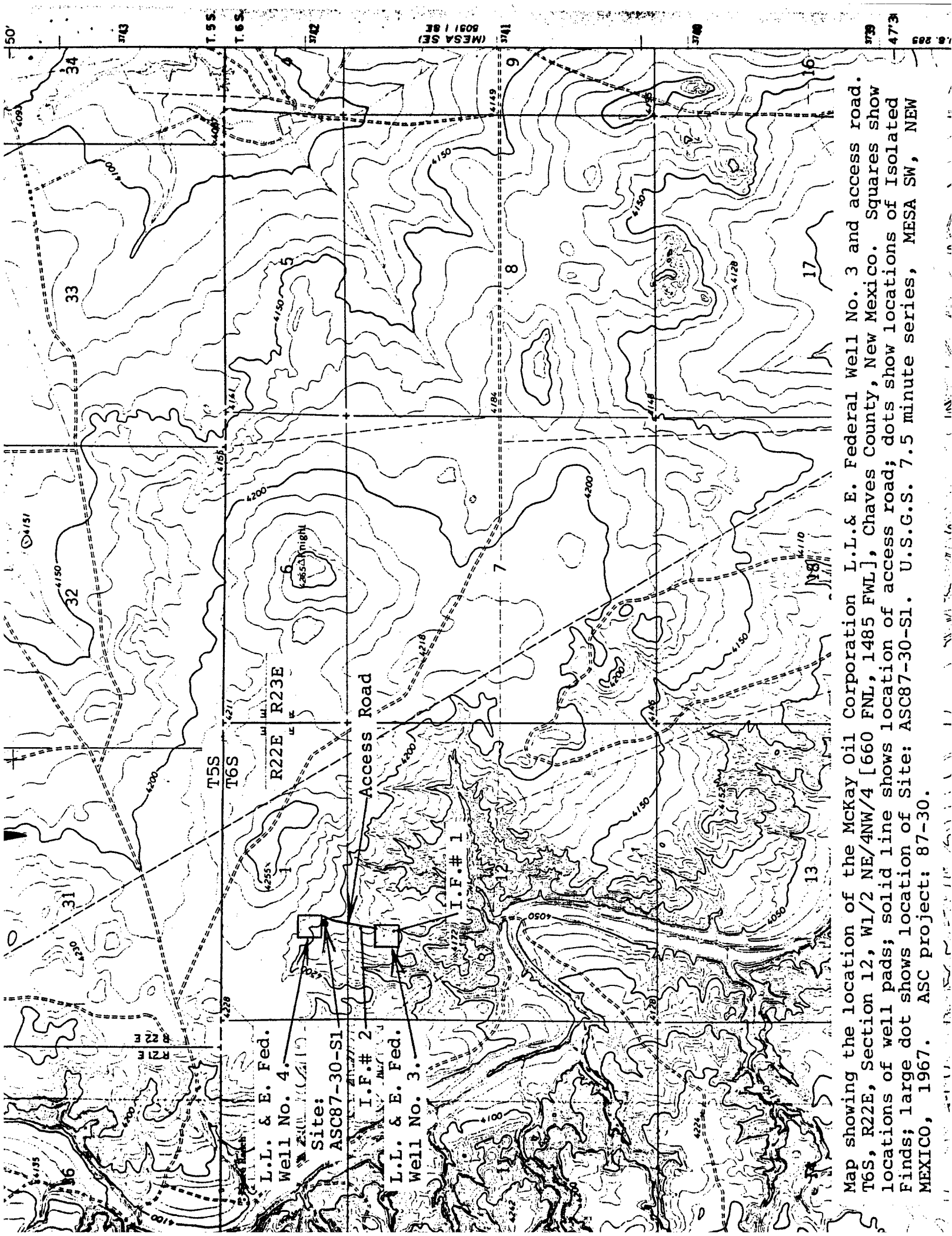
b. a line of wood lath, closely spaced, should be erected along the south boundary of the L.L. & E. Fed. Well No. 4 well pad, to preclude accidental damage to Site ASC 87-30-S1.

Date of Examination: January 27, & February 25, 1987.

Project Archaeologist: D.M. Griffiths.

J. Sirovich

Principal Investigator: D.M. Griffiths.



L.L. & E. Fed.
Well No. 4.

Site:
ASC87-30-S1

I.F.# 2

L.L. & E. Fed.
Well No. 3.

I.F.# 1

Map showing the location of the McKay Oil Corporation L.L. & E. Federal Well No. 3 and access road.
T6S, R22E, Section 12, W1/2 NE/4NW/4 [660 FNL, 1485 FNL], Chaves County, New Mexico. Squares show
locations of well pads; solid line shows location of access road; dots show locations of Isolated
Finds; large dot shows location of Site: ASC87-30-S1. U.S.G.S. 7.5 minute series, MESA SW, NEW
MEXICO, 1967. ASC project: 87-30.

EXHIBIT "B"

