

100

Township
Line

Ext: All Secs. 1 through 4, All Secs. 9 through 16, All Secs. 20 through 28, All Secs. 33 through 36 (A-7351, 9-19-83) EXT: SE4Sec. 17 (R-8747, 9/1/88)

No Special
P. P. H.
Post Office

4160-5
(November 1983)
(Formerly 9-341)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
NM Oil and Gas Commission
Drawer DD

Form approved.
Budget Bureau No. 1004-1-1
Expires August 31, 1985

LEASE DESIGNATION AND SERIAL

NM-32308

IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

McKay Oil Corporation

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

1485' FWL & 660' FNL

RECEIVED

MAY 09 '88

O.C.D.

ARTESIA, OFFICE

14. PERMIT NO

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

4177' GR

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

L L & E Federal

9. WELL NO.

3

10. FIELD AND POOL OR WILDCAT

W. Pecos Slope-Abo

11. SEC., T., R., M., OR BLM. AND
SURVEY OR AREA

Sec. 12, T6S, R22E

12. COUNTY OR PARISH 13. STATE

Chaves

N.M.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANE

Pipeline Connection

X

SUBSEQUENT REPORT OF:

WATER SHUT OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator proposes to lay a 2" steel pipeline along the east side of the access road to the L L & E Federal #4 location. Said route shall be within the cleared route for the access road and will not require an additional archaeological survey. Pipeline will be buried a minimum of 12" along said route.

See attached topographic map.



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

SIGNED

Jerry V. Franklin

TITLE

Agent

DATE

4/27/88

(This space for Federal or State office use)

APPROVED BY

/s/ Sharlett Atchley

TITLE

for Area Manager

DATE

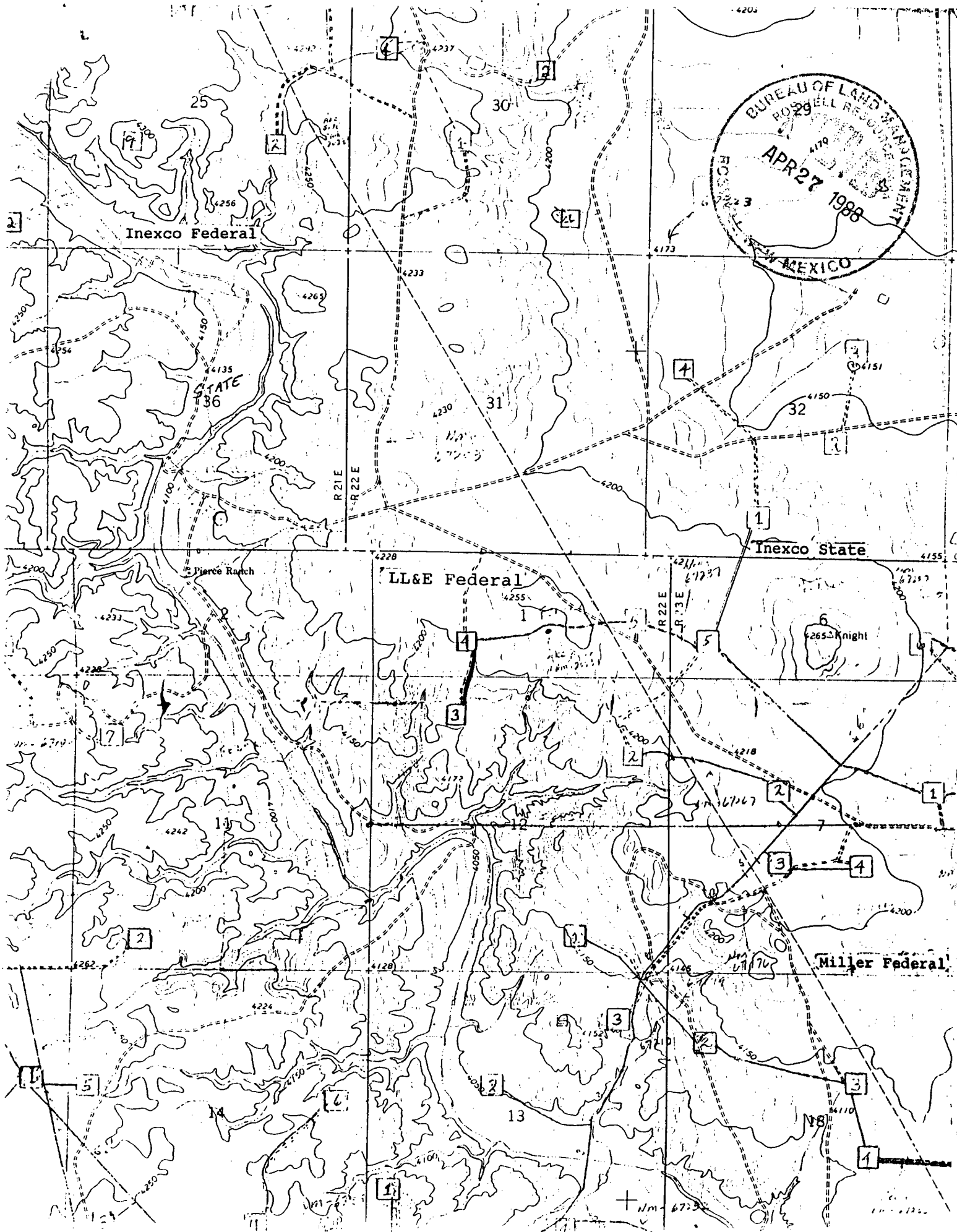
5-2-88

CONDITIONS OF APPROVAL, IF ANY:

Conditions of approval, if any:

This authorization is subject to the condition that all or part might be converted to a right-of-way grant in the future. Attached are two pages* See Instructions on Reverse Side stipulations which also apply.

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.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

Form approved
Budget Bureau No. 1004-013
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different depth. Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
McKay Oil Corporation ✓

3. ADDRESS OF OPERATOR
Post Office Box 2014, Roswell, New Mexico 88201 O. C. D. ARTESIA, OFFICE

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At Surface
1485' FWL & 660' FNL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4177' GL

5. LEASE DESIGNATION AND SERIAL NO.
NM-32308

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
L L & E Federal

9. WELL NO.
#3

10. FIELD AND POOL OR WILDCAT
W. Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 12-6S-22E

12. COUNTY OR PARISH 13. STATE
Chaves NM

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETION

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANE

(Other)

Production csg.

X

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

3-30-88

RIH w/99 jts. 4½", 9.5#, J-55 csg. set @ 3154', cemented w/325 sxs.
65/35 POZ, 5# salt, 0.2 FR, ½# cello seal, plug down @ 8:30 a.m.
3-30-88. Displaced 4½" & 8 5/8" annulus w/air to 500' while cmt'ing.

RECEIVED
APR 21 8 15 AM '88
BUREAU OF LAND MGMT
ROSWELL RESOURCE AREA

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

SIGNED Theresa Rodriguez

TITLE Production Analyst

DATE 4-20-88

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD
DATE PETER W. CHESTER

APR 22 1988

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM Oil, Gas, & Minerals Commission
Artesia, NM 88210

Form approved.
Budget Bureau No. 1004-1
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. NAME OF OPERATOR
McKay Oil Corporation
3. ADDRESS OF OPERATOR
Post Office Box 2014, Roswell, NM 88201
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1485' FWL & 660' FNL

APR 18 '88

O. C. O.
ARTESIA, OFFICE

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

4177'

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

L. L. & E. Fed.

9. WELL NO.

#3

10. FIELD AND FOOT OR WILDCAT

W. Pecos Slope Abo

11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA

Sec. 12-6S-22E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐ PULL OR ALTER CASING ☐
FRACTURE TREAT ☐ MULTIPLE COMPLETE ☐
SHOOT OR ACIDIZE ☐ ABANDON* ☐
REPAIR WELL ☐ CHANGE PLANS ☐
(Other) ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐ REPAIRING WELL ☐
FRACTURE TREATMENT ☐ ALTERING CASING ☐
SHOOTING OR ACIDIZING ☐ ABANDONMENT* ☒
(Other) Surface csg.

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

3-25-88

RIH w/34 jts. 8 5/8", 24# casing (905'). Set @ 921'. Cemented w/150 sxs. Pacesetter Lite and 150 sxs. Class "C" w/3% CaCl. Plug down @ 2:15 a.m. 1" cementing. Ran Temp. survey, survey indicated TOC @ 400'. Cemented to surface in 8 stages using 280 sxs. Class "C" w/5% CaCl and 600 gals. zone lock.

Pressure tested 8 5/8" casing and BOP to 1000 psi. for 30 min. held ok. WOC 18 hrs.

RECEIVED
MAR 29 8 40 AM '88
BUREAU OF LAND MGT
ROSSELL RESOURCE
AREA

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

SIGNED Theresa Rodriguez

TITLE Production Analyst

DATE 3-28-88

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

ACCEPTED FOR RECORD
PETER W. CHESTER
DATE

APR 15 1988

BUREAU OF LAND MANAGEMENT
ROSSELL RESOURCE AREA

*See Instructions on Reverse Side

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.

(November 1984)
(Formerly O. 311)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM Oil Cons. Commission

Artesia, NM 88210

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL

NM-32308

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

L L & E Federal

9. WELL NO.

#3

10. FIELD AND POOL OR WILDCAT

W. Pecos Slope Abo

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA

Sec. 12-65-22E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
McKay Oil Corporation

3. ADDRESS OF OPERATOR
Post Office Box 2014, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1485' FWL & 660' FNL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4177'

APR 18 '88
O. C. D.
ARTESIA, OFFICE

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOTING OR ACIDIZING

REPAIR WELL

(OTHER)

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(OTHER)

Spud

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

X

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETE OPERATION (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded 12 1/4" starter hole @ 9:15 p.m. on 3-23-88

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

SIGNED

TITLE Production Analyst

DATE 3-25-88

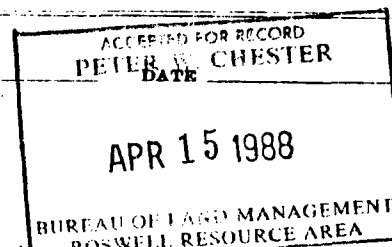
(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



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.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
New Mexico Oil and Gas Conservation Commission
(Other Instructions on reverse side)
Artesia, NM 88210

Form approved.
Budget Bureau No. 1004-0115
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. NAME OF OPERATOR
McKay Oil Corporation ✓
3. ADDRESS OF OPERATOR
P.O. Box 2014, Roswell, New Mexico 88202
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1485 FWL & 660 FNL

MAR 24 '88

O. C. D.

ARTESIA OFFICE

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

4177'

5. LEASE DESIGNATION AND SERIAL NO.

NM-32308

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

L.L.&E. Federal

9. WELL NO.

3

10. FIELD AND POOL OR WILDCAT

W. Pecos Slope Abo

11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA

Sec. 12-6S-22E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐
☐

PULL OR ALTER CASING

☐
☐
☐
☐
☐

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

1 year extension-APD

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐
☐

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

☐
☐
☐
☐
☐

(NOTE: Report results of multiple completion on Well Completion or Reconpletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator requests a 1 year extension of the Application for Permit to Drill on the referenced location.

Expiration 3-12-88

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

SIGNED

James L. Schell

TITLE

Landman

DATE

3-12-88

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED
PETE CHESTER

MAR 21 1988

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side

NM Oil Cons. Commission

Drawer DD

Artesia, NM 88202

SUBMIT IN TRIPLICATE*

(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

SF

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKay Oil Corporation

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1485 FWL- 660' FNL

At proposed prod. zone

14. DISTANCE* IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

30 miles

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if 660')18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

3/4 miles

16. NO. OF ACRES IN LEASE

901.19

19. PROPOSED DEPTH

3,400'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4177'

22. APPROX. DATE WORK WILL START*

ASAP

23.

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"	10.5 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.



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 preventer program, if any.

24.

SIGNED

TITLE Landman

DATE 2-26-87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

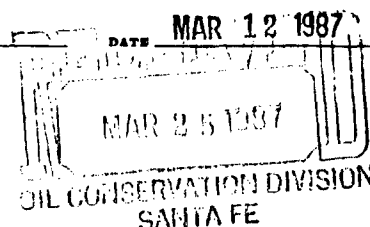
S/Hunter Davis, Acting

TITLE

Area Manager

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.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-76

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

Operator McKAY OIL CORP.		Lease L.L. & E. FEDERAL		Well No. 3
Unit Letter C	Section 12	Township 6 SOUTH	Range 22 EAST	County CHAVES
Actual Wellbore Location of Well:				
1485 feet from the		WEST	line and	660 feet from the
Ground Level Elev. 4177		Producing Formation Abo	Pool W. Pecos Slope Abo	Dedicated Acreage 160 Acres

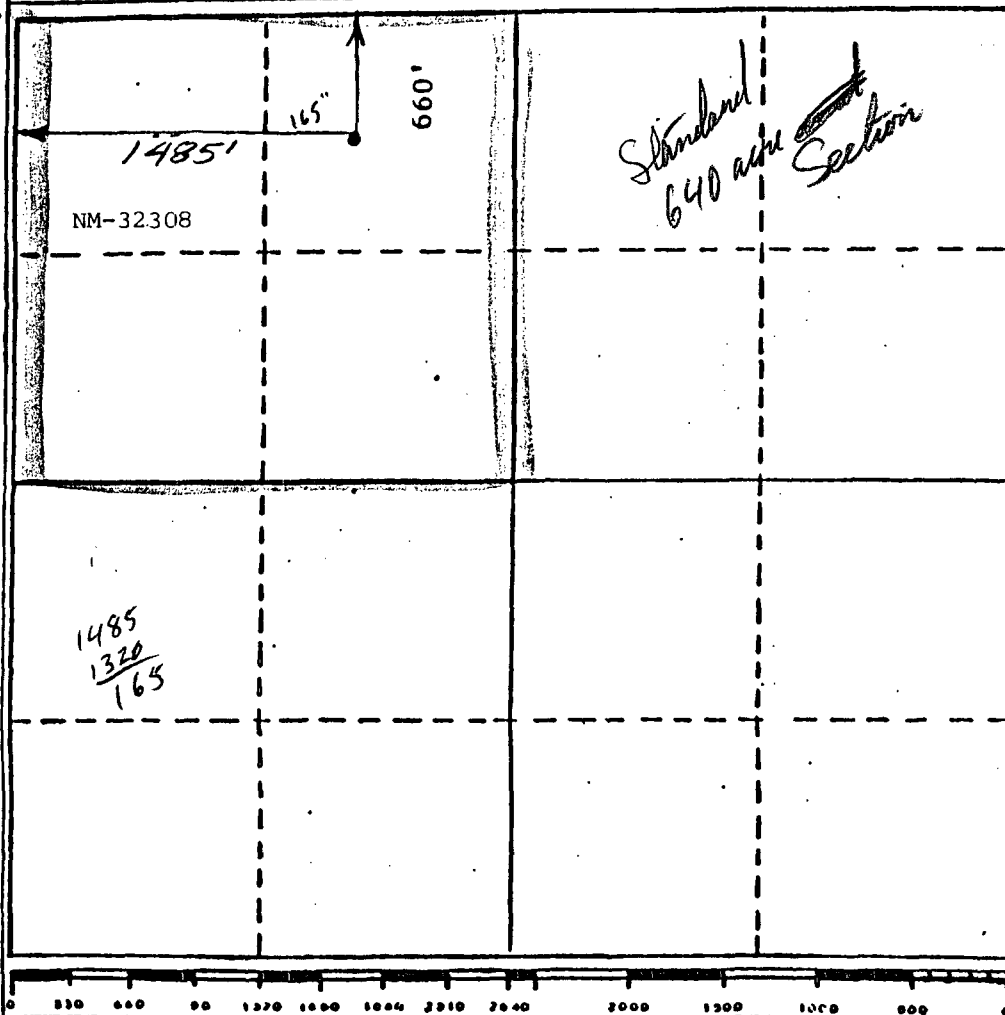
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline and specify the ownership interest in each lease (as to working interest and royalty).
3. If more than one lease of different ownership 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 _____

RECEIVED
MAR 18 1987
O. C. D.
ARTESIA, OFFICE

BUREAU OF LAND MANAGEMENT
ROSWELL, NEW MEXICO
RECEIVED
FEB 26 1987

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
2-26-87

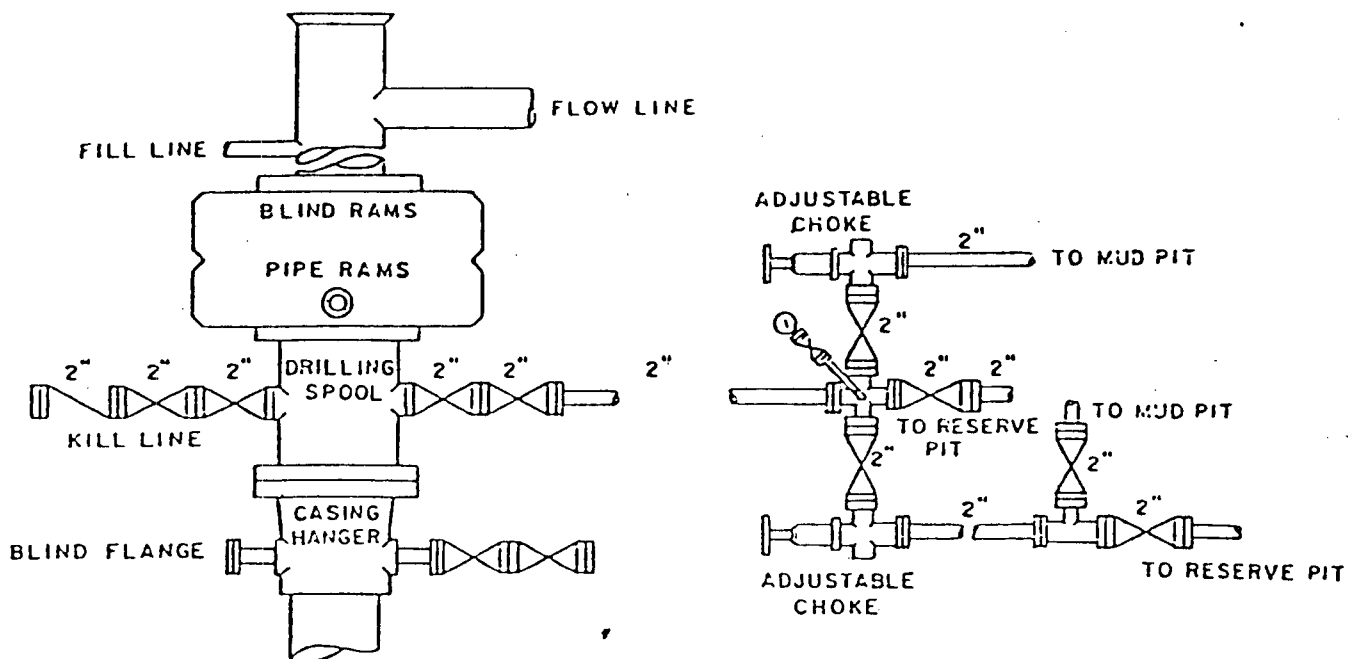
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

JOHN D. JACQUES
NEW MEXICO
Date Surveyed
JANUARY 21 1987

Registered Professional Engineer and/or Land Surveyor
John D. Jacques

Professional P.E. & L.S.
Certificate No. **6290**

McKay Oil Corporation
L. L. & E. Federal #3
NE/4NW/4 Sec. 12-6S-22E
Chaves County, New Mexico



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

EXHIBIT D