

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 West Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-10
Revised March 25, 1995

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-63385
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: New Mexico "CS" State #3B B State #3
8. Well No. #3B
9. Pool name or Wildcat ABO

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" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	RECEIVED MAY 21 2004
2. Name of Operator McKay Oil Corporation	OCB-ARTESIA
3. Address of Operator P.O. Box 2014 Roswell, NM 88202-2014	
4. Well Location Unit Letter <u>A</u> : <u>1160</u> feet from the <u>NORTH</u> line and <u>660'</u> Feet from the <u>East</u> line Section <u>2</u> Township <u>7S</u> Range <u>22E</u> NMPM <u>Chaves</u> County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 4163'	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

MCKAY OIL CORPORATION spudded the NM "CS" State #3B at 4:20pm on Wednesday, May 19, 2004.

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

SIGNATURE April D. McKay TITLE VICE PRESIDENT DATE 5/20/04

April D. McKay Telephone No. 505-623-4735

(This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE DATE
Conditions of approval, if any:

MAY 31 2004