

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

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER


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


1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 32308
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" 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 PO Box 2014 Roswell, NM 88202-2014		8. Lease Name and Well No. LL & E B Federal #5 34857
3b. Phone No. (include area code) 505-623-4735		9. API Well No. 30-005-63751
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 990' FSL & 1980' FEL At proposed prod. zone 840'		10. Field and Pool, or Exploratory W. Pecos ABO Slope 82740
14. Distance in miles and direction from nearest town or post office* Approximately 25 miles		11. Sec., T. R. M. or Blk. and Survey or Area Unit O, Sec. 1, T6S, R22E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'	16. No. of acres in lease 741.20	12. County or Parish Chaves
17. Spacing Unit dedicated to this well 160'	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	13. State NM
19. Proposed Depth 4300'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4247'	22. Approximate date work will start* 11/01/2004	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:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) James L. Schultz	Date 10/11/2004
Title Agent		

Approved by (Signature) 	(Orig. Sgd.) Jerry Dutchover	Name (Printed/Typed) Jerry Dutchover	(Orig. Sgd.) Jerry Dutchover	Date MAY 16 2005
Title Assistant Field Manager, Lands And Minerals		Office ROSWELL FIELD OFFICE		APPROVED FOR 1 YEAR

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)

Avenue, Artesia, NM 88210

Brazos Road, Aztec, NM 87410

IV

20 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505For drilling and production facilities, submit to  
appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe  
office**Pit or Below-Grade Tank Registration or Closure**Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐ Submitted 4/16/04Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐Operator: MCKAY OIL CORPORATION Telephone: 505-6223-4795 e-mail address: april@mckayoil.comAddress: PO Box 2014 Roswell, NM 88202-2014Facility or well name: LL&E B Federal #5 API # 30-005-6375 U/L or Qtr/Qtr O Sec 12 T 6S R 22ECounty: CHAVES Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐**Pit**Type: Drilling ☒ Production ☐ Disposal ☐Workover ☐ Emergency ☐Lined ☒ Unlined ☐Liner type: Synthetic ☐ Thickness \_\_\_\_\_ mil Clay ☐

Pit Volume \_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.  
\_\_\_\_\_Depth to ground water (vertical distance from bottom of pit to seasonal  
high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more( 0 points)Wellhead protection area: (Less than 200 feet from a private domestic  
water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No( 0 points)Distance to surface water: (horizontal distance to all wetlands, playas,  
irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more( 0 points)**Ranking Score (Total Points)**

0

RECEIVED

MAY 18 2005

OCD-ARTESIA

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if  
your are burying in place) onsite ☒ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including  
remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5)

Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has  
been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 10/11/04Printed Name/Title James L. Schultz, AgentSignature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or  
otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or  
regulations.

Approval:

Printed Name/Title Signature 

MAY 18 2005

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## 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.**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **McKay Oil Corporation**3a. Address  
**PO Box 2014, Roswell, NM 88202-2014**3b. Phone No. (include area code)  
**505.623.4735**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1980' FEL & 840' FSL, Sec. 1, T6S, R22E, NMPM**

5. Lease Serial No.

**NM 32308**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**LL & E B Federal #5**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**W. Pecos ABO Slope**

11. County or Parish, State

**Chaves, NM**

RECEIVED

MAY 18 2005

OCU-ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input checked="" 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	

13. Describe 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 recompleat 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 recompleat 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.)

Due to archaeological concerns, this location has been moved from 1980' FEL & 990' FSL to 1980' FEL and 840' FSL and the access road (approx. 1/4 mile) will be moved to enter the south side of the location coming from an easternly direction as shown on the attached road plat. Where the access road crossing an existing Texas & New Mexico Pipeline, the pipeline will be protected as specified by the Texas & New Mexico Pipeline Co. A copy of the archaeological report is attached hereto. The pit will be located on the northwest of the center hole.

14. I hereby certify that the foregoing is true and correct
- 
- Name (Printed/Typed)

**James L. Schultz**

Title Agent

Signature

Date

**05/04/2005****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

(Orig. Sgd.)

**Jerry Dutchover**

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.

Assistant Field Manager,  
Lands And MineralsDate  
Office **ROSWELL FIELD OFFICE****MAY 16 2005**

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)

# State of New Mexico

Energy, Minerals and Natural Resources Department

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 80240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 80210

## 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

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name <b>LL &amp; E FEDERAL B</b>		Well Number <b>5</b>
OGRID No.	Operator Name <b>McKAY OIL CORPORATION</b>		Elevation <b>4244'</b>

### 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	1	6-S	22-E		840	SOUTH	1980	EAST	CHAVES

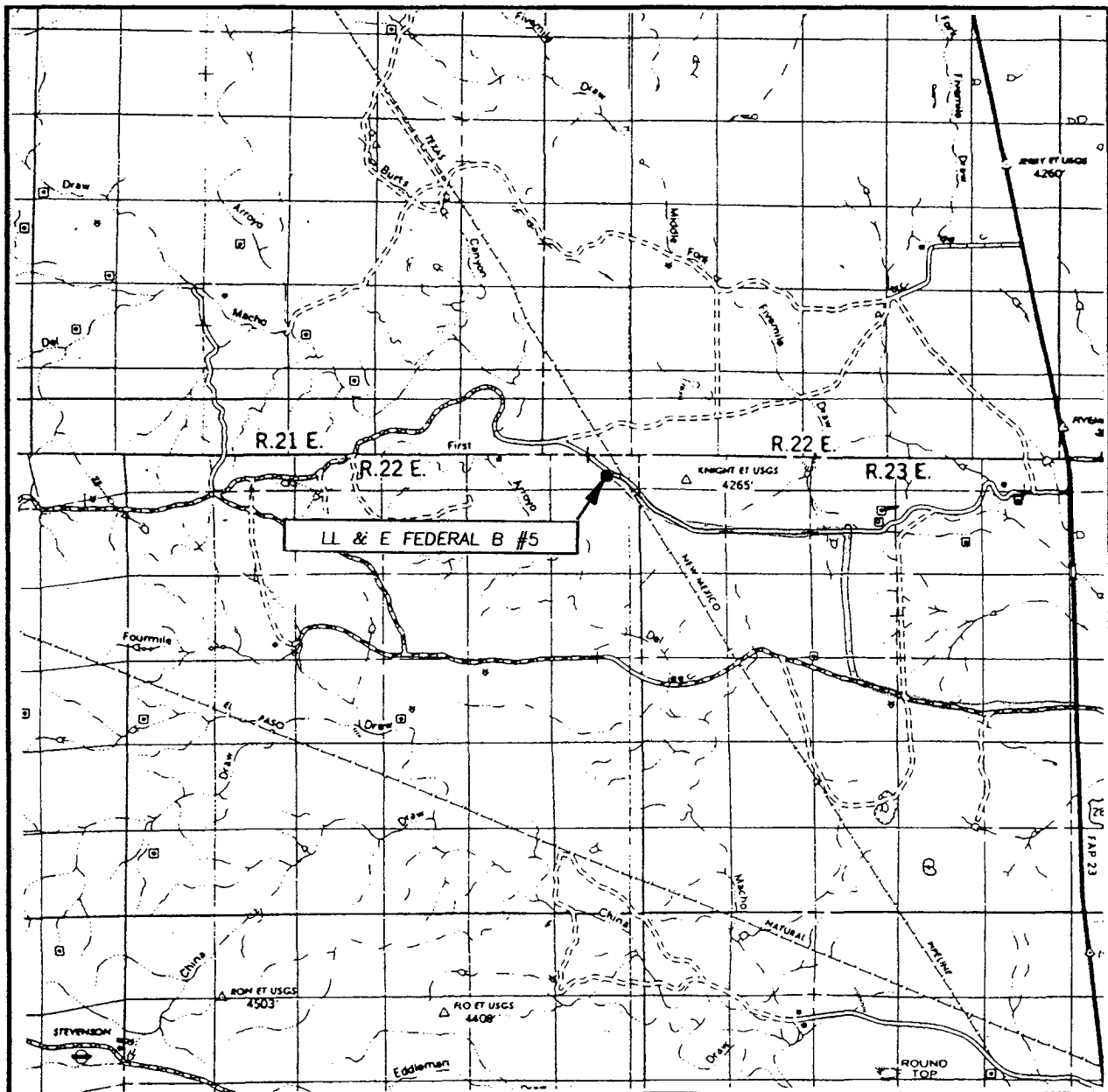
### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
160									

**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**

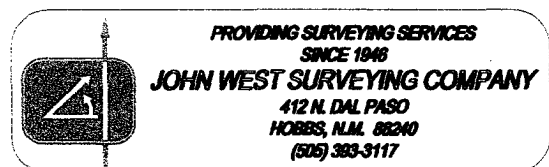
				<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>James Schultz</i> Signature</p> <p><b>James Schultz</b> Printed Name</p> <p><b>Agent</b> Title</p> <p><b>05/04/05</b> Date</p>	
<p>LOT 4      LOT 3      LOT 2      LOT 1</p>				<h3>SURVEYOR CERTIFICATION</h3> <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><b>OCTOBER 25, 2004</b></p> <p>Date Surveyed      JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>GARY EIDSON</i>      1/02/04</p> <p><b>04.11.1448</b></p> <p>Certificate No. <b>GARY EIDSON</b>      12841</p>	
<p><b>GEODETIC COORDINATES</b> NAD 27 NME</p> <p>Y=1026009.5 N X=397466.6 E</p> <p>LAT.=33°49'11.81" N LONG.=104°40'15.34" W</p>				<p><b>RECEIVED</b></p> <p><b>MAY 18 2005</b></p> <p><b>OOD-ARTESIA</b></p>	

# VICINITY MAP

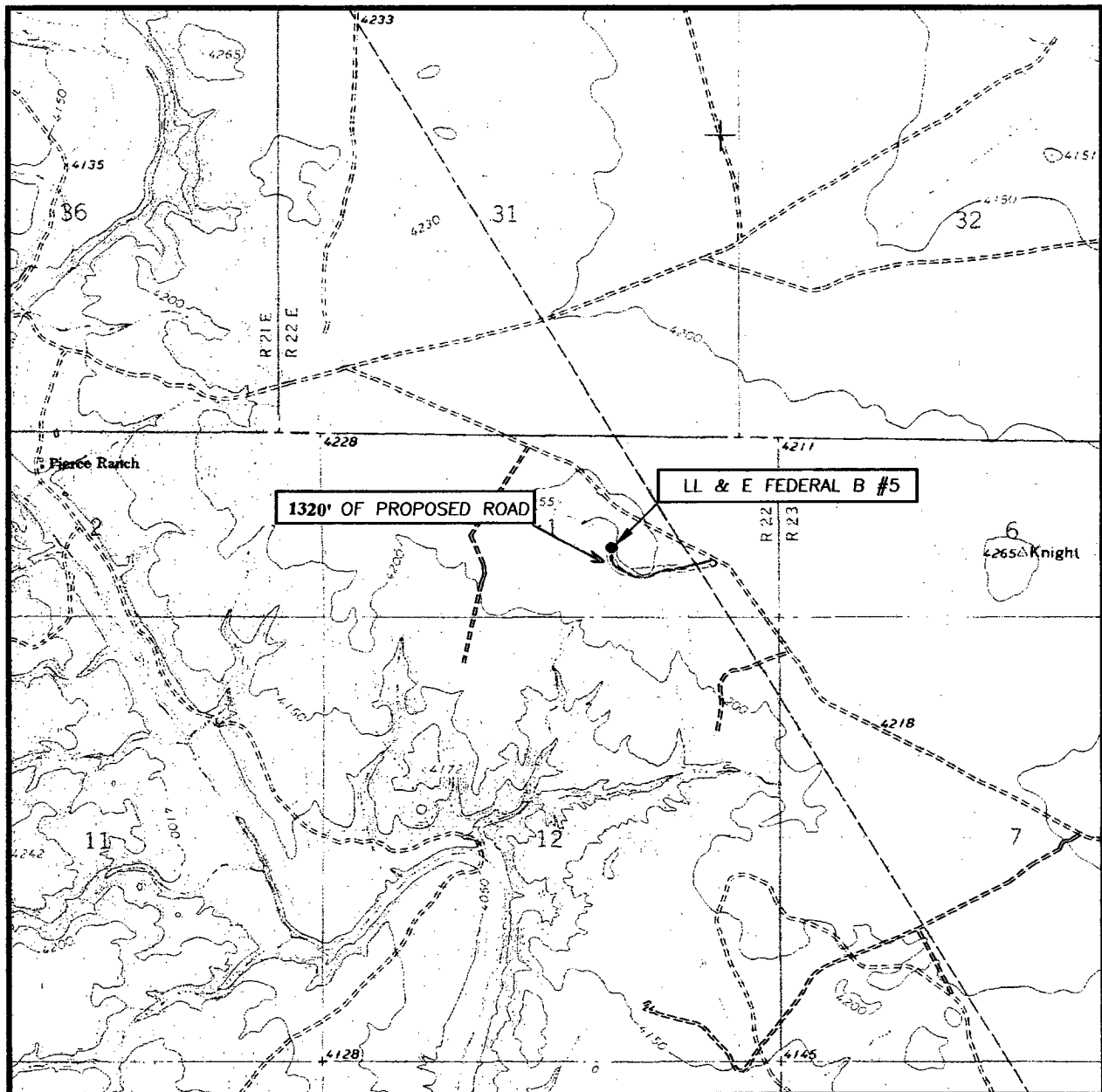


SCALE: 1" = 2 MILES

SEC. 1 TWP. 6-S RGE. 22-E  
 SURVEY N.M.P.M.  
 COUNTY CHAVES  
 DESCRIPTION 840' FSL & 1980' FEL  
 ELEVATION 4244'  
 OPERATOR McKAY OIL CORPORATION  
 LEASE LL & E FEDERAL B



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 1 TWP. 6-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 840' FSL & 1980' FEL

ELEVATION 4244'

OPERATOR McKAY OIL CORPORATION

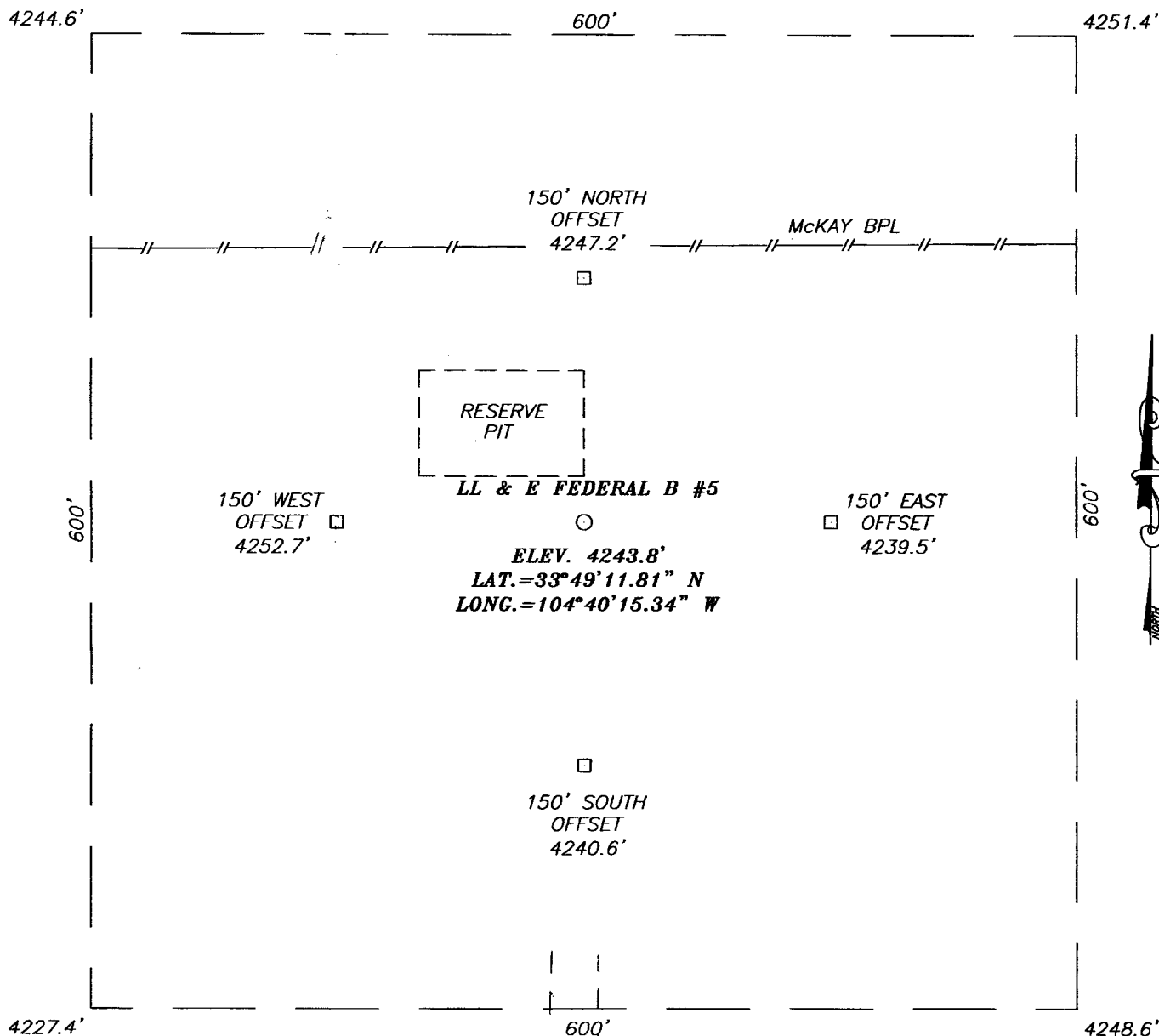
LEASE LL & E FEDERAL B

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



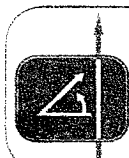
PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

**SECTION 1, TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,**  
 CHAVES COUNTY, NEW MEXICO

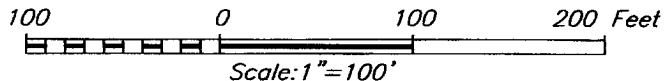


**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. # 208 AND CO. RD. #40 (STARGRASS RD.) GO WEST ON CO. RD. #40 FOR APPROX. 2.5 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT (NORTH) AND GO APPROX. 2.0 MILES, TURN LEFT (WEST) AND GO APPROX. 1.0 MILES, TURN RIGHT (NORTH) AND GO APPROX. 0.15 MILES PAST CATTLEGUARD. TURN WEST AND GO APPROX. 2.2 MILES. PROPOSED LOCATION IS APPROX. 400' SOUTH ACROSS PASURE.



**PROVIDING SURVEYING SERVICES SINCE 1948**  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 383-3117



**McKAY OIL CORPORATION**

LL & E FEDERAL B #5 WELL  
 LOCATED 840 FEET FROM THE SOUTH LINE  
 AND 1980 FEET FROM THE EAST LINE OF SECTION 1,  
 TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,  
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 10/25/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1448	Dr By: J.R.
Date: 11/1/04	Disk: CD#10
04111448	Scale: 1"=100'

ARCHAEOLOGICAL SURVEY of the McKAY OIL CORPORATION  
LL & E B FEDERAL WELL NO. 5 & ACCESS ROAD R/W  
T6S, R22E, SECTION 1, SW $\frac{1}{4}$ SE $\frac{1}{4}$  [840 FSL, 1980 FEL].  
CHAVES COUNTY, NEW MEXICO

FEDERAL LAND SURFACE  
[U.S.G.S. 7.5 minute series, MESA SW, NEW MEXICO, 1982)

ASC Report 04-068 (NMCRIS NO. 92747)

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

ARCHAEOLOGICAL SURVEY CONSULTANTS  
P.O. Box 2285, Roswell, New Mexico 88202-2285  
[505] 623-5012

BLM PERMIT NO.: 18-2920-03-U

April 14, 2005

Prepared for:

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

Attention: April McKay

Distribution:

→ McKay Oil Corporation (1)  
Schultz (SW Petroleum Land Services, LLC)  
BLM - Roswell Field Office (2)  
Griffiths (1)



## TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM

Department of the Interior

BLM/Roswell Field Office

1. BLM Report #	2. Reviewer's Initials/Date:  Accepted ( )    Rejected ( )	3. NMCRIS #: 92747
-----------------	--	--------------------

4. Type of Report: Negative ( )      Positive (X)

---

5. Report Title: ARCHAEOLOGICAL SURVEY of the McKAY OIL CORPORATION LL & E B FEDERAL WELL NO. 5 and ACCESS ROAD R/W. T6S, R22E, SECTION 1, SW $\frac{1}{4}$ SE $\frac{1}{4}$  [840 FSL, 1980 FEL]. CHAVES COUNTY, NEW MEXICO.

---

6. Fieldwork Dates: 10/19/2004; 10/20/2004; 2/18/2005; 2/28/2005; 3/01/2005; 3/07/2005; 3/08/2005; 3/09/2005; 3/19/2005; 4/08/2005; 4/09/2005; 4/10/2005; 4/26/2005; 4/27/2005.

7. Report Date: 4/11/2005

---

8. Consultant Name & Address:  
 ARCHAEOLOGICAL SURVEY CONSULTANTS;  
 P.O. Box 2285, Roswell, New Mexico 88202-2285. Phone: 505-623-5012.  
  
 Direct Charge: D.M. Griffiths and/or J.V. Sciscoenti  
 Project Archaeologists: D.M. Griffiths and J.V. Sciscoenti  
 Field Personnel Names: D.M. Griffiths; J.V. Sciscoenti, A.K. Raes

---

9. BLM Permit #: 18-2920-03-U State of New Mexico Permit #: NM-05-070

10. Consultant Report No.: ASC Report 04-068

---

11. Sponsor Name, Address, & Phone Number:  McKay Oil Corporation Individual Responsible: April McKay P.O. Box 2014, Roswell, New Mexico 88202-2014 Phone: 505-623-4505	12. Customer Project #:
--	-------------------------

---

13. LAND STATUS:	BLM	STATE	PRIVATE	OTHER	TOTAL
Acreage Surveyed:	14.07				14.07
Area of Effect:	3.22 +				3.22 +

---

14. Inspected Linear Area: 1430 ft. long x 100 ft. wide, with a 200 ft. square delta, 3.74 acres.  
 Linear Impact Area: 1430 ft. long x 35 ft. wide, 1.15 acres.  
  
 Inspected Block Area: 750 ft. north/south x 600 ft. east/west, 10.33 acres.  
 Impacted Block Area: 300 ft. square +, 2.07 acres (see A.P.D. on file BLM)

---

15. Location:    a. State: New Mexico    b. County: Chaves  
                   c. BLM Field Office: Roswell    d. Nearest Town: Roswell  
                   e. Well Pad Location: T6S, R22E, Section 1, SW $\frac{1}{4}$ SE $\frac{1}{4}$  (840 FSL, 1980 FEL), Chaves County, New Mexico.  
                   Access Road R/W: T6S, R22E, Section 1 (SE $\frac{1}{4}$ SE $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$ ), Chaves County, New Mexico.  
                   f. Well Pad Footages: T6S, R22E, Section 1, SW $\frac{1}{4}$ SE $\frac{1}{4}$  (840 FSL, 1980 FEL), Chaves County, New Mexico.  
                   g. Map Name(s): U.S.G.S. 7.5 minute series, MESA SW, NEW MEXICO, 1982 [33104-G6].

DISTRICT I  
1825 N. FRANK DR., BOBBS, NM 87240

DISTRICT II  
1301 E. GRAND AVENUE, ALBUQUERQUE, NM 87106

DISTRICT III  
1000 Elia Brasos Rd., Arroyo, NM 87410

DISTRICT IV  
1200 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Per Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LL & E FEDERAL B	Well Number 5
OCRID No.	Operator Name McKAY OIL CORPORATION	Elevation 4244'

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	1	6-S	22-E		840	SOUTH	1980	EAST	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	Joint or Infill	Consolidation Code	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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: _____  Printed Name: _____  Title: _____  Date: _____	
				<b>SURVEYOR CERTIFICATION</b>  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.  OCTOBER 25, 2004  Date Surveyed: _____ Signature:  JR Professional Surveyor  Certified No. GARY FILDSON 12041	
<p>GEODETIC COORDINATES NAD 27 NME  Y=1026009.5 N X=397466.6 E  LAT.=33°49'11.81" N LONG.=104°40'15.34" W</p>					

## TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM (continued):

Department of the Interior

BLM/Roswell Field Office

16. a. **Records Search:** ARMS & BLM records (Sciscoenti, 10/18/2005) indicate the prior recording of LA 59920 within the project area; LA 115805 is within 0.25 miles of the project area. Previously recorded sites within 1.0 miles of the project area include LA 45468, LA 52134, LA 58890, LA 59921, LA 115806, and LA 130458.

b. **Description of Undertaking:** archaeological survey of a well pad (750 ft. north/south x 600 ft. east/west, 10.33 acres), and access road R/W (1430 ft. long x 100 ft. wide, with a 200 ft. square delta, 3.74 acres), with a total federal land surface of 14.07 acres, was inspected for cultural remains.

**Construction Methodology, Make & Year of Equipment:** unknown.

c. **Environmental Setting:** the project area is at the interface of 2 soil zones, situated ca. 0.76 miles (1.22 km.) NE of the Arroyo del Macho on the spine and slopes of a relatively level NW/SE trending ridge. A saddle, between two segments of the ridge, occurs ESE of the well pad area; the saddle is utilized for part of the access road. A sink occurs to the east of the northern part of the access road, adjacent to and west of a limestone ridge formation. Vegetated swales, marked by relatively dense clusters of grass, occur sporadically in the project area. Lithic knapping material is rare within the project area, except at the western end of a WNW/ESE trending ridge to the WNW of the proposed well pad. Elevation: 4228 ft. to 4254 ft. Slope: 0.50° to 5.71°.

**Aspect:** northeast to west/southwest. **Soils:** interface of Alama-Poquita loam association and Hollomex-moist Milner-Reeves loams. **Vegetation Community:** Grassland Formation, Scrub-grass Scrub disclimax community. **Ground Visibility:** ca. 25% to 100%, averaging ca. 65% to 85%

d. **Field Methods:** straight and zig-zag transects, spaced no greater than 15 metres apart, with dogleash transects in the vicinity of artifacts. **Current Work Hrs. on Ground:** ca. 95. **Crew Size:** 2 to 3. **Artifacts Collected:** 4.

17. **Cultural Resource Findings:** the proposed LL & E B Federal Well No. 5 was initially staked at 990 FSL, 1980 FEL (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ). Because of the presence of a previously recorded (but badly underestimated in size, artifact quantity, and artifact content) prehistoric archaeological site, LA 59920, within the initially staked well pad, the LL & E B Federal Well No. 5 wellpad was moved 150 ft. south to a location at 840 FSL, 1980 FEL (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ).

Archaeological survey of the LL & E B Federal Well No. 5 (cancelled and final locations) and Access Road R/W revealed the occurrence of 18 Isolated Finds, none of which are significant past the level of field recording (see Isolated Find Table 1, attached, for descriptive and locational data).

In addition, archaeological survey of the McKay Oil Corporation LL & E B Federal Well No. 5 and Access Road R/W revealed the occurrence of 5 BLM Category 2 archaeological sites, including the previously recorded site (LA 59920), LA 148158 (ASC 04-068-S1), LA 148159 (ASC 04-068-S2), LA 148160 (ASC 04-068-S3), and LA 148161 (ASC 04-068-S4).

Selected perimeter and interior artifacts, and features, were pinpoint located and individually described and measured; the recording process has not exhausted the information potential of the 5 archaeological sites.

Extant  
Buried  
Pipeline

Extant  
Buried  
Pipeline

Boundary  
of Site  
LA 59920

4250 ft.

4230 ft.

Extant  
Buried Pipeline

4240 ft.

Proposed  
Fence Line

Well Pad  
Centre Stake  
@ 840 FSL, 1980 FEL

Boundary of  
600 ft. sq.  
Well Pad  
Surveyed Area

4220 ft.

Boundary of  
Site LA 148161  
(ASC 04-068-S4)

True  
N

LA 148160  
(ASC 04-068-S3)

Proposed  
Access Road Centreline

Boundary of  
Site LA 148159  
(ASC 04-068-S2)

Boundary  
of Site  
LA 148158  
(ASC 04-068-S1)

MCKAY OIL CORPORATION  
L L & E B FEDERAL WELL NO. 5 and ACCESS ROAD R/W

Site: LA 59920

T6S, R22E, Section 1, SE1/4SW1/4, NE1/4SW1/4, NW1/4SW1/4, SW1/4NW1/4SE1/4, SE1/4NE1/4SW1/4, NE1/4SE1/4SW1/4, Chaves County, New Mexico.

Site: LA 148158 (ASC 04-068-S1)

T6S, R22E, Section 1, NW1/4SE1/4, Chaves County, New Mexico.

Site: LA 148159 (ASC 04-068-S2)

T6S, R22E, Section 1, SE1/4SW1/4SE1/4, Chaves County, New Mexico.

Site: LA 148160 (ASC 04-068-S3)

T6S, R22E, Section 1, SE1/4SW1/4SE1/4, Chaves County, New Mexico.

Site: LA 148161 (ASC 04-068-S4)

T6S, R22E, Section 1, SW1/4SW1/4SE1/4, Chaves County, New Mexico.

ASC Project 04-068.

Mapped by means of a Garmin 12 G.P.S. unit utilizing U.T.M. Grid, Zone 13, 1927 North American Datum. 9 to 12 satellites were employed, with accuracy between +/- 2.9 to +/- 3.7 metres. IVS/DMG; April 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 26<sup>th</sup>, & 27<sup>th</sup>, 2005.

## TITLE PAGE/ABSTRACT/NEGATIVE PROJECT REPORT FORM (continued):

Department of the Interior

BLM/Roswell Field Office

18. **Management Summary & Recommendations:** The 18 Isolated Finds are not significant past the level of field recording.

Since the recording process has not exhausted the information potential of the five archaeological sites: LA 59920, LA 148158 (ASC 04-068-S1), LA 148159 (ASC 04-068-S2), LA 148160 (ASC 04-068-S3), and LA 148161 (ASC 04-068-S4) all conform to a BLM Category 2 assemblage (significant past the level of field recording):

Archaeological CLEARANCE for the McKay Oil Corporation LL & E B Federal Well No. 5 and Access Road R/W is **RECOMMENDED**, with the following provisos and restrictions:

- a). The built well pad must be restricted to an area no further than 150 ft. east and southeast of the staked well centre; the constructed well pad must be restricted to the northeast and northwest to a distance no greater than 175 ft. from the staked well centre.
  - b). A barricade fence should be installed within the well pad, prior to all wellpad or other construction activity, under supervision of a qualified archaeologist familiar with the 5 archaeological sites (see attached scale drawing).
  - c). The access road construction must be monitored by an archaeologist familiar with all 5 archaeological sites.
19. I certify that the information provided above is correct and accurate, and meets all applicable BLM standards.

Project Archaeologist

D.M. Griffiths

Date: April 18, A.D. 2005

Project Archaeologist

J.V. Scurato

Date: April 18, A.D. 2005

17

Map showing the location of the McKay Oil Corporation IL & E B Federal Well No. 5 and Access Road R/W. T6S, R22E, Section 1, Chaves County, New Mexico [BLM, Roswell Field Office, N.M.]. Square shows location of well pad; solid line shows location of access road (centraline); dots show locations of isolated finds (not labelled, see project drawing for location numbers); hatched areas and large dots show locations of sites. Scale: 1:24 000; north is up; contour interval: 10 ft. U.S.G.S. 7.5 minute series, MESA SW, NEW MEXICO, 1982. ASC Project 04-068.

# State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1301 W. FRENCH DR., HOBBBS, 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

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

### WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name <b>LL &amp; E FEDERAL B</b>		Well Number <b>5</b>
OGRID No.	Operator Name <b>McKAY OIL CORPORATION</b>		Elevation <b>4247'</b>

#### 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	1	6-S	22-E		990	SOUTH	1980	EAST	CHAVES

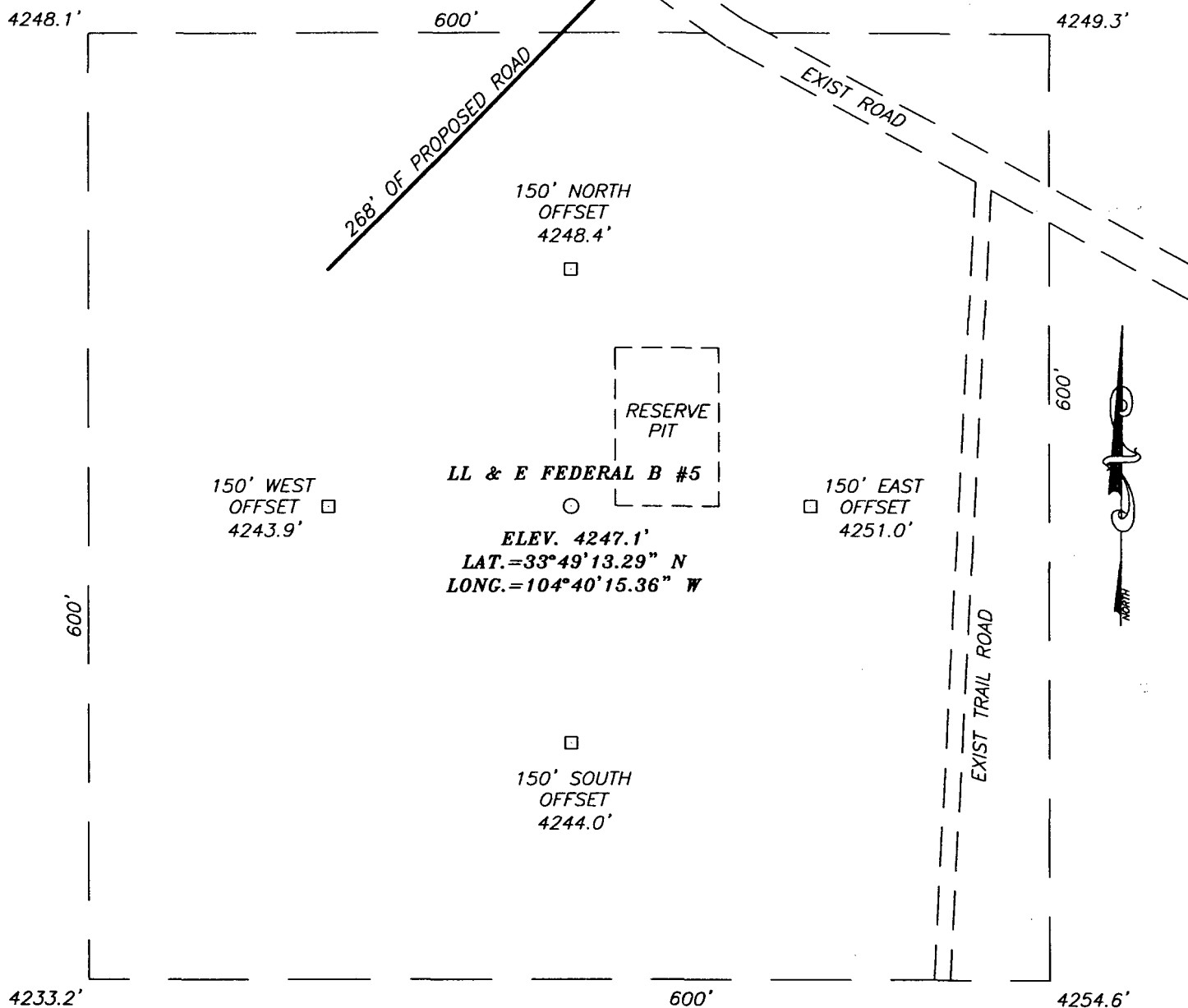
#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	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

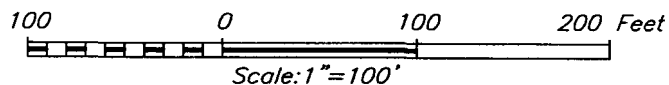
	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature <u>James Schultz</u> Printed Name Title <u>Agent</u> Date <u>10/11/2004</u>	
	<b>SURVEYOR CERTIFICATION</b>  hereby certify that the well location 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.  SEPTEMBER 14, 2004 Date Surveyed <u>REV: 10/8/04</u> JR Signature & Seal of Professional Surveyor <u>GARY EIDSON</u> Certificate No. <u>GARY EIDSON</u> 12641	
	GEODETIC COORDINATES NAD 27 NME Y=1026159.5 N X=397466.0 E LAT.=33°49'13.29" N LONG.=104°40'15.36" W	
	RECEIVED MAY 18 2005 OGD-ARTESIA	

# SECTION 1, TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO



## DIRECTIONS TO LOCATION

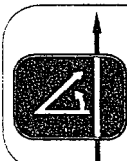
FROM THE INTERESECTION OF U.S. HWY. # 208 AND CO. RD. #40 (STARGRASS RD.) GO WEST ON CO. RD. #40 FOR APPROX. 2.5 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT (NORTH) AND GO APPROX. 2.0 MILES, TURN LEFT (WEST) AND GO APPROX. 1.0 MILES, TURN RIGHT (NORTH) AND GO APPROX. 0.15 MILES PAST CATTLEGUARD. TURN WEST AND GO APPROX. 2.2 MILES. PROPOSED LOCATION IS APPROX. 400' SOUTH ACROSS PASURE.



## McKAY OIL CORPORATION

LL & E FEDERAL B #5 WELL  
LOCATED 990 FEET FROM THE SOUTH LINE  
AND 1980 FEET FROM THE EAST LINE OF SECTION 1,  
TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,  
CHAVES COUNTY, NEW MEXICO.

Survey Date: 09/14/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1143	Dr By: J.R.
Date: 09/22/04	Rev 1:10/8/04
Disk: CD#10	04111143
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

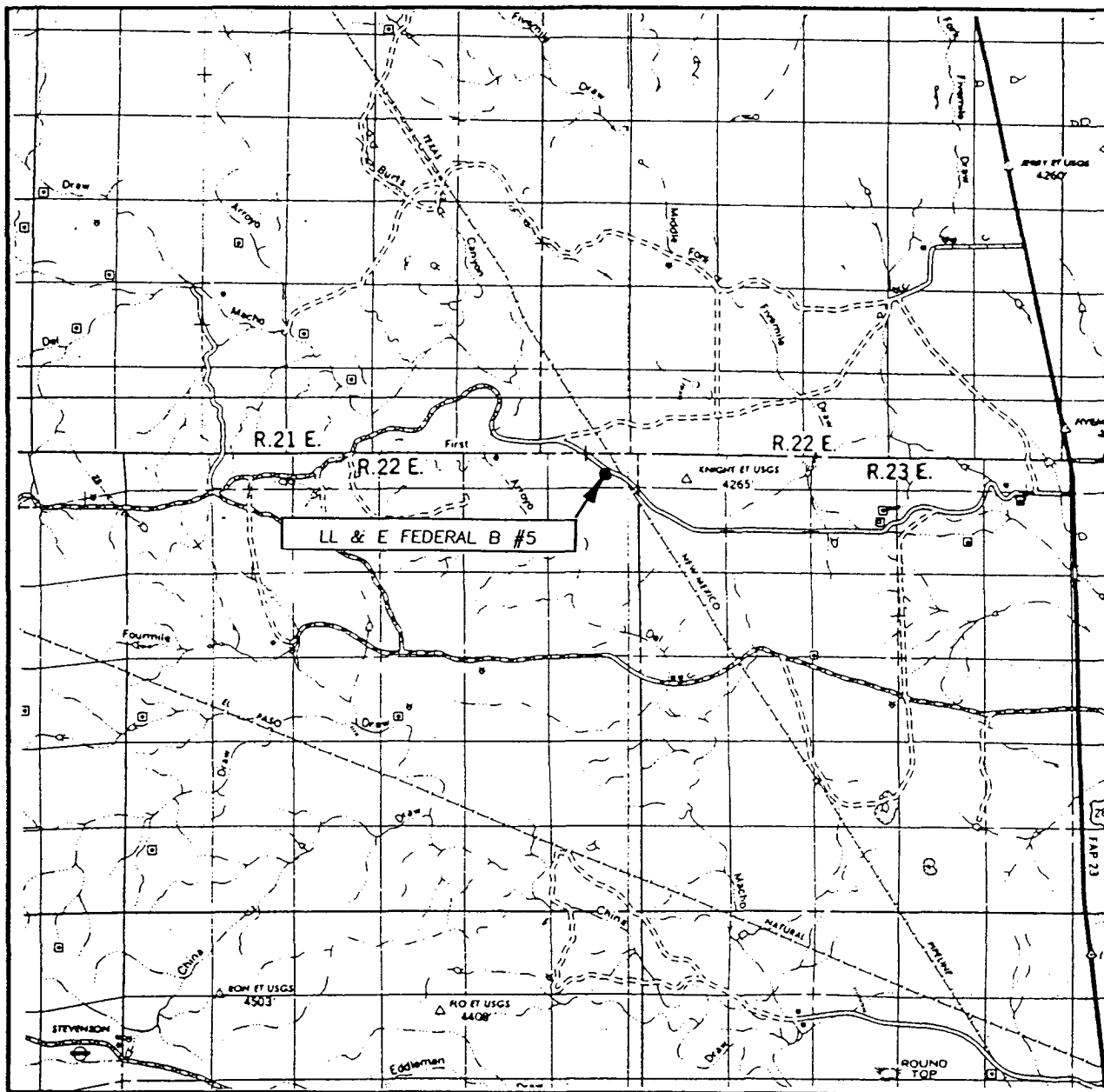


**PERTINENT INFORMATION**

FOR  
MCKAY OIL CORPORATION  
LL&E B Federal #5  
990' FSL & 1980' FEL Sec. 1, T6S, R22E  
Chaves County, New Mexico

<u>LOCATED:</u>	25 air miles Northwest of Roswell, NM.
<u>LEASE NUMBER:</u>	NM 32308
<u>LEASE ISSUED:</u>	8/8/1978
<u>RECORD LESSEE:</u>	McKay Petroleum Corporation
<u>BOND COVERAGE:</u>	Operator's \$25,000 Statewide
<u>AUTHORITY TO OPERATE:</u>	Assignment of Operating Rights
<u>ACRES IN LEASE:</u>	741.20
<u>SURFACE OWNERSHIP:</u>	Federal
<u>OWNER:</u>	USA-BLM
<u>POOL RULES:</u>	General Statewide Rules
<u>EXHIBITS:</u>	A. Road and Well Map B. Contour Map C. Rig Layout D. BOP Diagram E. Lease Map

## VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 1 TWP. 6-S RGE. 22-E

SURVEY N.M.P.M.

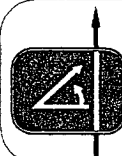
COUNTY CHAVES

DESCRIPTION 990' FSL &amp; 1980' FEL

ELEVATION 4247'

OPERATOR McKAY OIL CORPORATION

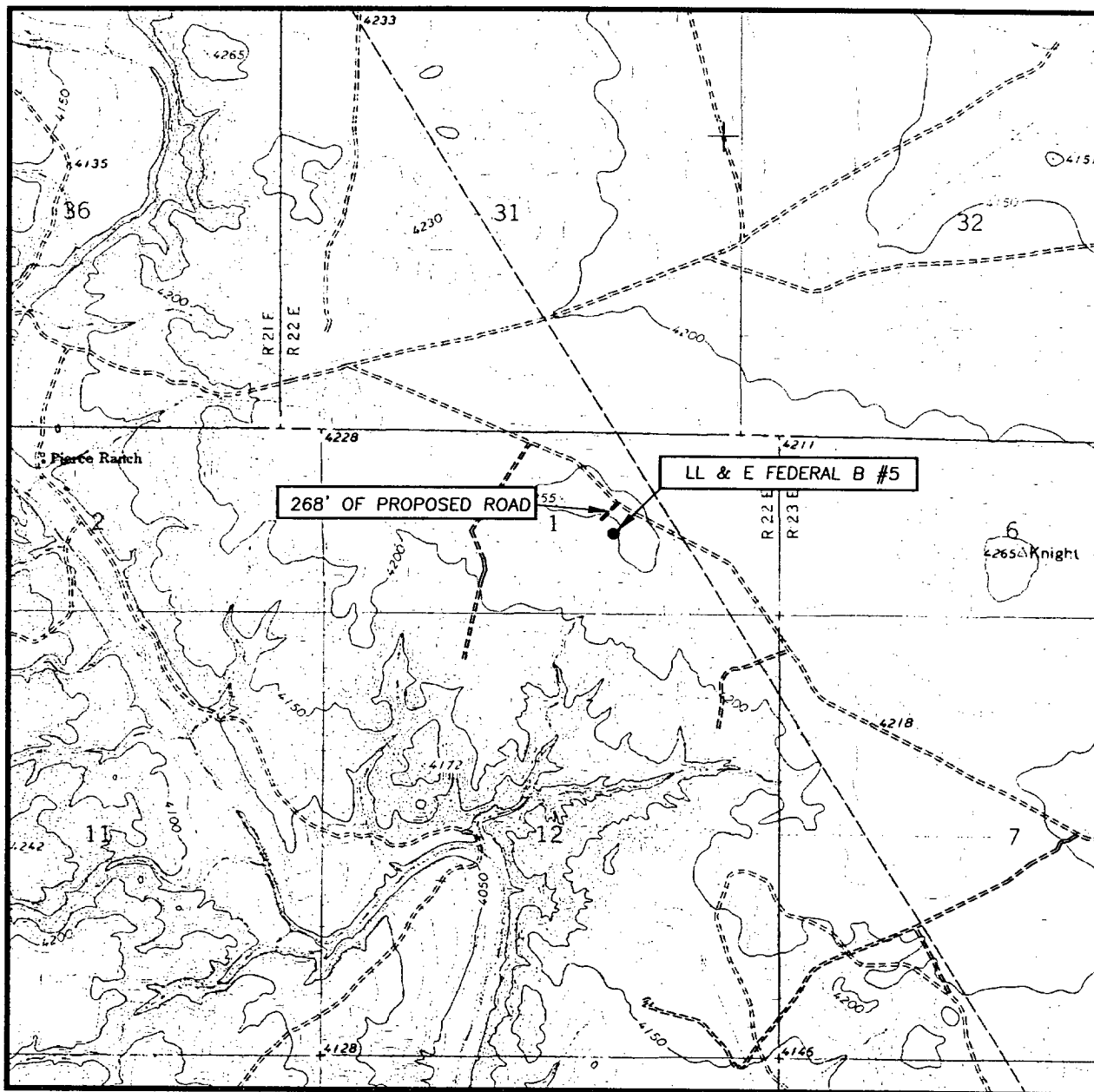
LEASE LL &amp; E FEDERAL B



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

"B"

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 1 TWP. 6-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY CHAVES

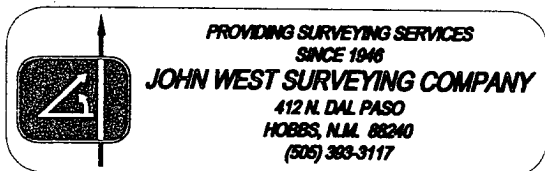
DESCRIPTION 990' FSL & 1980' FEL

ELEVATION 4247'

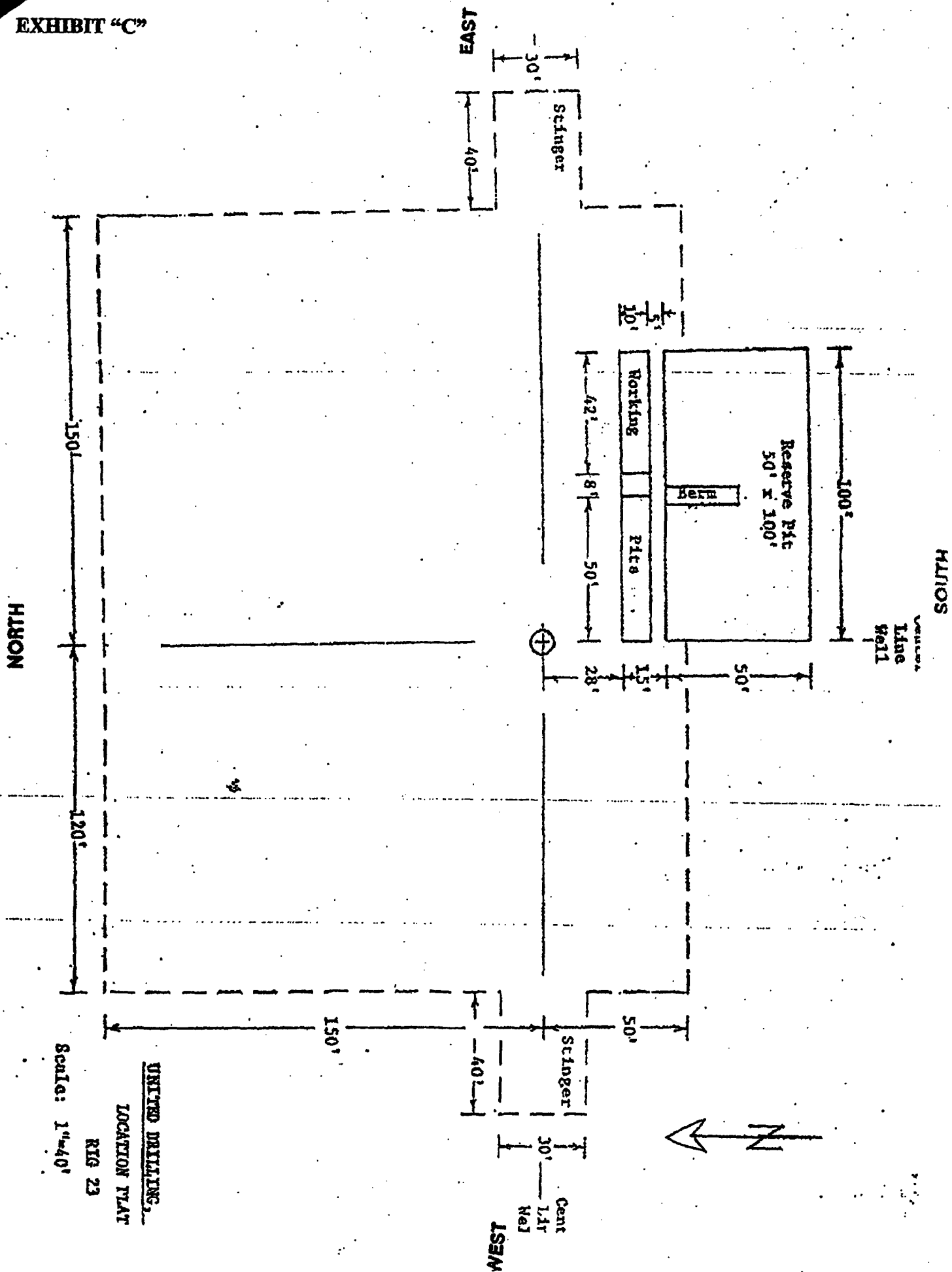
OPERATOR McKAY  
OIL CORPORATION

LEASE LL & E FEDERAL B

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



**EXHIBIT "C"**



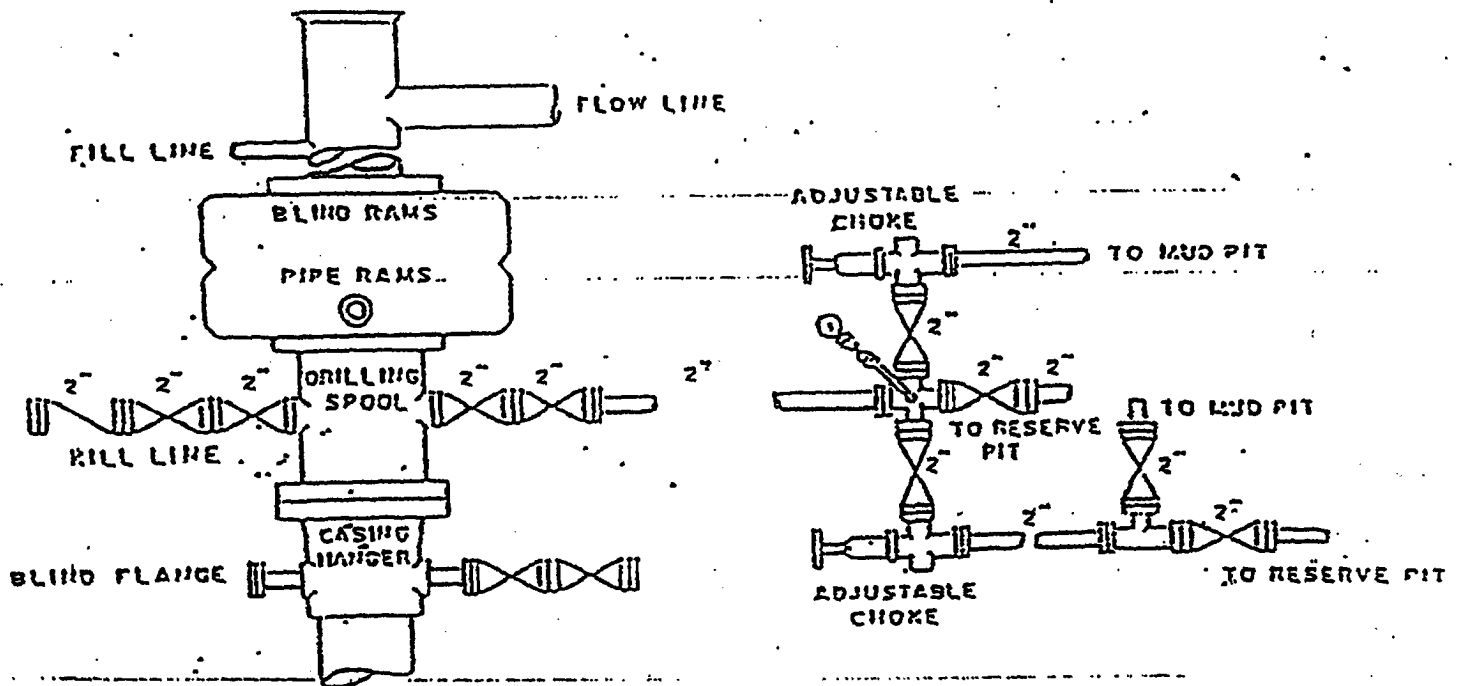
# MCKAY OIL COPORATION

LL&E B Federal #5

SW4SE4 of Section 1, T6S, R22E

Chaves County, New Mexico

## EXHIBIT "D"





## SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION  
LL&E B Federal #5  
990' FSL & 1980' FEL Sec. 1, T6S, R22E

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 - 970'  
Tubb - 2466'  
Abo - 2679'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:

Fresh Water - In surface formation above 600'  
Gas - In Abo Formation below 2679'

4. PROPOSED CASING PROGRAM:

J-55

12-1/4" hole	8-5/8" <del>X-42</del>	24#	950' +
7-7/8" hole	5-1/2" J-55	15.5#	TD

5. PROPOSED CEMENTING PROGRAM:

Surface to 950'	class "C" - 350 sxs cemented and circulated to surface.
Production Casing	class "C" - 300 sxs cemented with adequate cover.

6. PROPOSED DRILLING PROGRAM:

McKay Oil Corporation proposes to drill and test the ABO formation. Approximately 950' of surface casing will be set and cemented to surface. 5-1/2" production casing will be set and cemented with adequate cover, perforated and stimulated as needed for production.

7. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of 2 ram, 2M system. A sketch of the BOP is attached.
8. CIRCULATION MEDIUM: Air Drilling
9. 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.
10. 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.
11. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:  
None anticipated.
12. ANTICIPATED STARTING DATE: On or before November 1, 2004  
Drilling should be completed within 10 days. Completion operations (perforations and stimulation) will follow drilling operations.



## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MCKAY OIL CORPORATION  
LL&E B Federal #5  
990' FSL & 1980' FEL Sec. 1, T6S, R22E

Chaves County, New Mexico

NM 32308

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 21 miles north of Roswell, NM.

B. Directions: Heading North out of Roswell, New Mexico on U.S. 285 for approximately 21 miles and turn left on county road just before mile marker 137 (Cottonwood Road). Go approximately 2.0 miles, then turn north for approximately 2 miles to the lease road, turn west for approximately 3 1/4 mile to the location.

### 2. PLANNED ACCESS ROAD:

A. Length and Width: None

B. Surface Materials: Sand, gravel and caliche where needed.

C. Turnouts: None

D. Maximum Grade: No 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, Cattle guards: None needed. Already in place.

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 400' x 400'. (See Exhibit "D")

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. Closest Pit to the location.

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 placed in portable receptacles and hauled from the location upon completion of drilling and completion operations.

F. All trash and debris will be 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 east and southeast.

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 south in the vicinity of the access road and south-southwest in the vicinity of the drill pad. Regional slope is south-southwest toward the Arroyo del Macho which is south-southwest of 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: Arroyo del Macho south-southwest of the proposed location.

E. Residences and other Structures: The David Corn ranch house (old W.R. McKnight Ranch) is approximately 1 mile to the south-southwest.

F. Archaeological, Historical and Other Cultural Sites: An Archaeologist from Roswell, NM will be contracted to check and approve this site and access road.

G. Land Use: Grazing.


H. Surface Ownership: USA-BLM.

12. OPERATOR'S REPRESENTATIVE:

Humberto Perez  
Roswell, New Mexico  
(505) 623-4735 (O)  
(505) 626-8580 (C)

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 sub-contractors 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.

  
\_\_\_\_\_  
SIGNATURE

10-13-04  
\_\_\_\_\_  
DATE

**MCKAY OIL CORPORATION**  
**LL&E B Federal #5**  
990' FSL & 1980' FEL Sec. 1, T6S, R22E

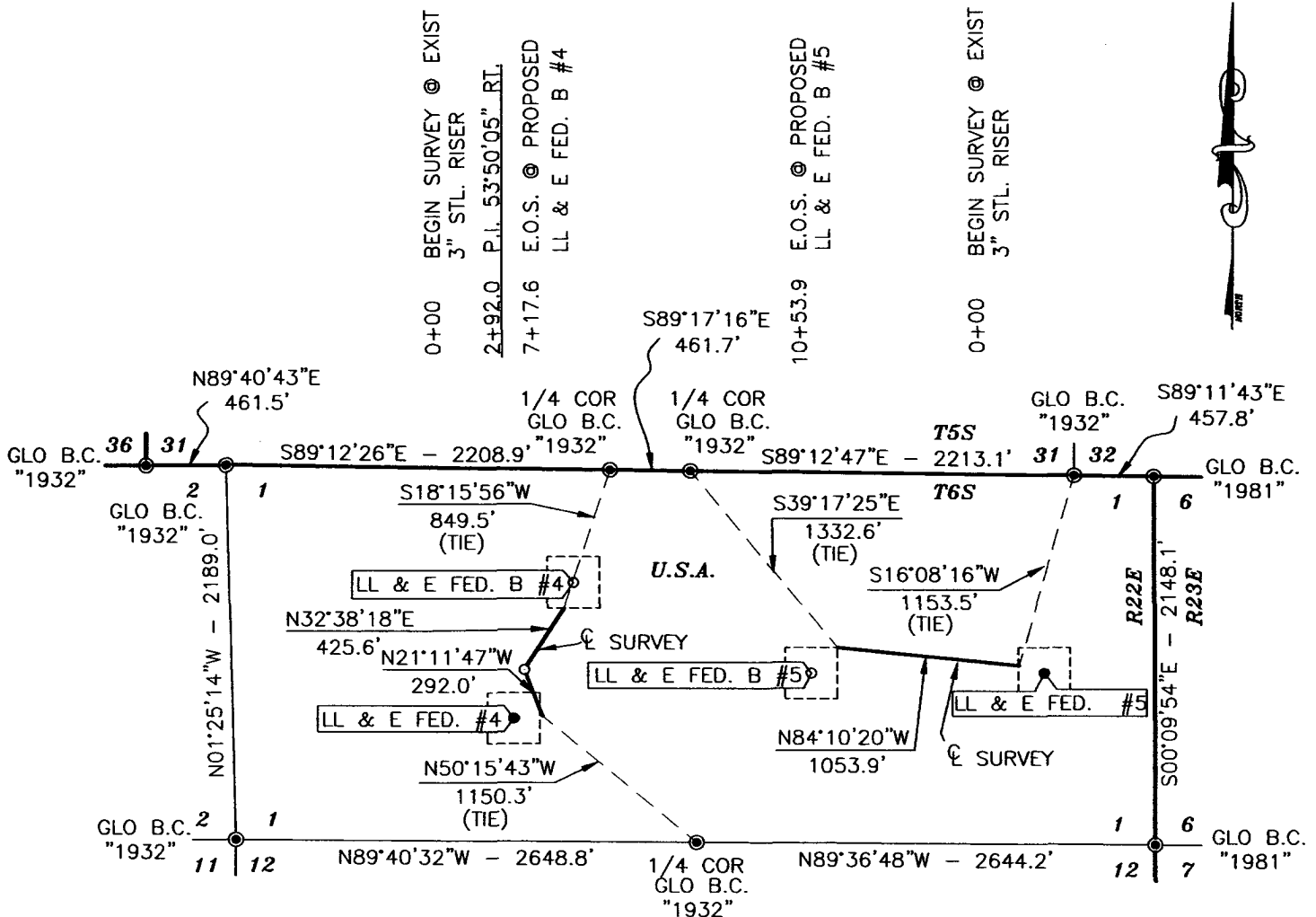
Chaves County, New Mexico

**Other Specific Information and Plans**

**Proposed Pipeline**

50' pipeline route as set forth on attached survey plat  
Buried 2" steel low pressure (30-50 psi) pipeline

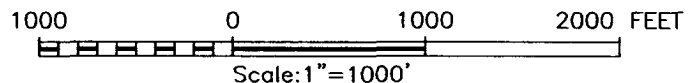
SECTION 1, TOWNSHIP 6 SOUTH, RANGE 22 EAST, N.M.P.M.,  
CHAVES COUNTY, NEW MEXICO.



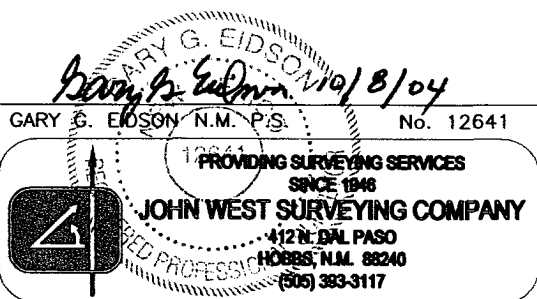
DESCRIPTION

TWO STRIPS OF LAND 50.0 FEET WIDE AND 1771.5 FEET OR 0.336 MILES IN LENGTH CROSSING USA LAND IN SECTION 1, TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM, CHAVES COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE CENTERLINE.

NOTE: BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.



I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



McKAY OIL CORPORATION

SURVEY TWO PIPELINES IN  
SECTION 1, TOWNSHIP 6 SOUTH, RANGE 22 EAST,  
N.M.P.M., CHAVES COUNTY, NEW MEXICO

Survey Date: 09/30/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1143 & 04.11.1144	Dr. By: J. RIVERO
Date: 10/4/04	DISK: CD#10
04111143_PL	REV: 10/8/04

**Southwest Petroleum  
Land Services, LLC**

100 N. Pennsylvania  
Roswell, NM 88203  
(505) 622-6713  
(505) 622-9282 fax

October 11, 2004

Oil Conservation Division  
Bryan Arrant  
1301 W. Grand Avenue  
Artesia, NM

Re: H2S Contingency Plan-LL&E B Federal #5

Bryan,

Please see attached Contingency Plan-H2S for the LL&E B Federal #5 located in Sec 1, T6S, R22E 990' FSL & 1980' FEL in Chaves County. Should you need any further information, please contact me at 505-626-6879.

Sincerely,



Jim Schultz  
Agent for McKay Oil Corporation

MCKAY OIL CORPORATION  
PO BOX 2014  
ROSWELL, NM 88202-2014  
505-623-4735

HYDROGEN SULFIDE (H<sub>2</sub>S) CONTINGENCY PLAN FOR THE  
LL&E B FEDERAL #5  
LOCATED IN SEC 1, T6S, R22E IN  
CHAVES COUNTY, NEW MEXICO

NO HYDROGEN SULFIDE OR OTHER HAZARDOUS GASES OR FLUIDS HAVE  
BEEN ENCOUNTERED, REPORTED OR KNOWN TO EXIST AT THIS DEPTH IN  
THIS AREA.

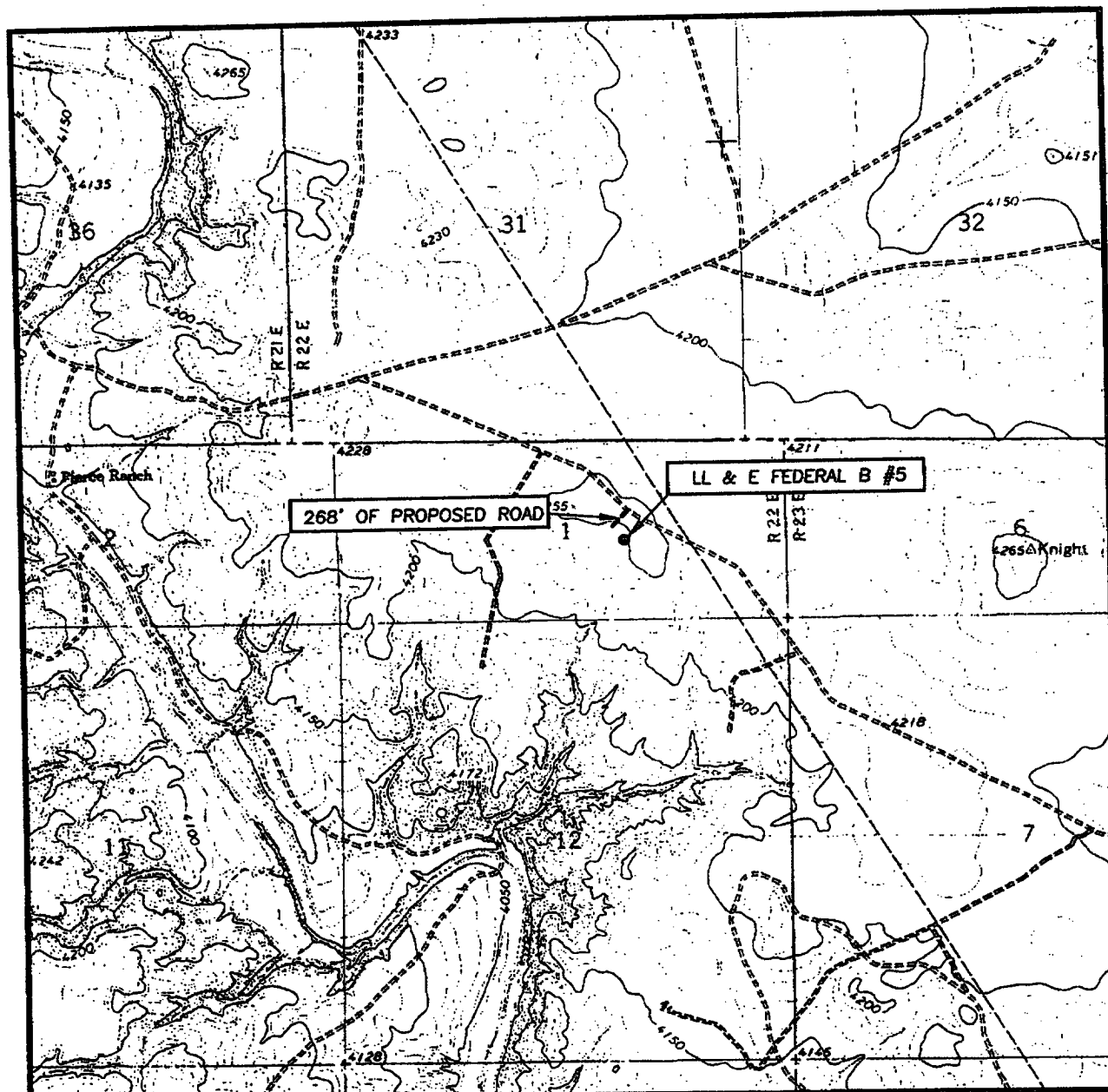


## **LL&E B FEDERAL #5**

This is an open drilling Site. H2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H2S, including warning signs, wind indicators and H2S monitor. Pumpers carry (MICROPACKS) H2S pocket testers at all times. Pulling units have an H2S indicator that puts off light and alarm on any indication of H2S being present.

**MAPS – SEE ATTACHED**

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 1 TWP. 6-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 990' FSL & 1980' FEL

ELEVATION 4247'

OPERATOR McKAY OIL CORPORATION

LEASE LL & E FEDERAL B

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

PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

## EMERGENCY PROCEDURES

In the case of a release of gas containing H<sub>2</sub>S, the first responder must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder must evacuate any public spaces encompassed by the 100 ppm ROE. First responder must take care not to injure themselves during this operation. Company and or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries occur during the response.

## IGNITION OF GAS SOURCE

Should control of the well be considered lost and ignition considered, take care to protect against exposure of sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

## CHARACTERISTICS OF H<sub>2</sub>S & SO<sub>2</sub>

COMMON NAME	CHEMICAL FORMULA	SPECIFIC GRAVITY	THRESHOLD LIMIT	HAZARDOUS LIMIT	LETHAL CONCENTRATION
HYDROGEN SULFIDE	H <sub>2</sub> S	1.189 AIR=1	10 PPM <sup>4</sup>	100 PPM/HR	600 PPM
SULFUR DIOXIDE	SO <sub>2</sub>	2.21 AIR=1	2 PPM	N/A	1000 PPM

## CONTACTING AUTHORITIES

McKay Oil Corporation personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. be prepared with all information available. The following call list of essential and potential responders must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan (HMER).

## MCKAY OIL CORPORATION CALL LIST

CHAVES COUNTY (505)	OFFICE	CELL PHONE	HOME PHONE
HUMBERTO PEREZ	625-1154	626-8580	627-1985
JIM ROBINSON	625-1154	626-8579	624-1093
APRIL MCKAY	623-4735	626-8575	625-2848

### CHAVES COUNTY (505) ROSWELL

STATE POLICE	622-7200
CITY POLICE	911 or 624-6770
SHERIFF'S OFFICE	624-6500
AMBULANCE	911
FIRE DEPARTMENT	624-6800
LEPC (Local Emergency Planning Committee)	Teresa Barncastle 624-6770 ext 129
NMOCD	748-1283
ENMMC (Hospital)	622-8170