

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Form 3160-4
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other

b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

2. Name of Operator **McKay Oil Corporation**

3. Address **P. O. Box 2014, Roswell, NM 88202-2014** 3a. Phone No. (include area code) **505-623-4735**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **1680' FNL, 1680' FEL**
At top prod. interval reported below
At total depth **3020'**

5. Lease Serial No. **NM-36192**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. **LOOKOUT B FEDERAL #8**

9. AFI Well No. **30-005-63743 0051**

10. Field and Pool, or Exploratory **82740**

11. Sec., T., R., M., on Block and Survey or Area **SEC 9, T6S, R22E**

12. County or Parish **CHAVES** 13. State **NM**

14. Date Spudded **01/19/2006** 15. Date T.D. Reached **02/20/2006** 16. Date Completed **03/17/2006**
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* **4354'**

18. Total Depth: MD **TVD 3020'** 19. Plug Back T.D.: MD **TVD** 20. Depth Bridge Plug Set: MD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Cement, CNL (Mailed directly to Schlumberger)

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	8 5/8"	24#		1006'		492 Class C,			
						250 Class C,			
						w/ 2% KCL			
7 7/8"	4 1/2"	24#		3014'		136 Class C,			
						136 POZ			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	2763'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Abo	2796'	2861'	2796-2861		22	Open
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
ZONE A 2796-2861	Acidize w/2000 gal NEFE
	Frac w/21,682 gal C02 70QC02
	181,640 lbs 16/30 Brown Sand,
	12,480 16/30 SiberProp

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
03/31/2006	03/31/2006	4	→	0	183	0	N/A		Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
48/64	N/A	440	→	0	251	0	N/A	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
CORR. SGD. DAVID R. GLASS
APR 7 2006
DAVID R. GLASS
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Yeso	1077'				
Tubb	2573'				
Abo	2801'				

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print)

Carol Shanks

Title

Production Analyst

Signature

Carol Shanks

Date

4/3/06

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.

McKay Drilling Corporation

Roy L. McKay, President

Mailing Address: P.O. Box 2014 Roswell, NM 88202 * Telephone 505 / 623 - 4735

Street Address: One McKay Place Roswell, NM 88201 * Fax No. 505 / 624 - 2202

OIL
&
GAS

April 4, 2006

Bureau of Land Management
Attn: Larry Bray
2909 W. Second Street
Roswell, NM 88201-2019

RE: Lookout B Federal #8
1680' FNL, 1680' FEL, Unit G, SEC 9, T6S, R22E
Chaves County, New Mexico

Spud 1/19/06

DEVIATION SURVEY

1/2 °	@	508'
1/2 °	@	1178'
1 °	@	2194'
1 °	@	2707'

TD 3020'

Released Date 2/23/06

Sincerely,

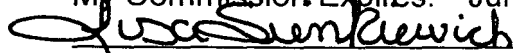
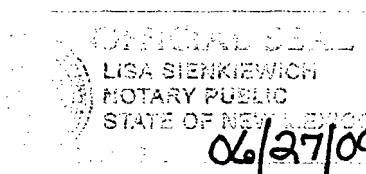


Carol Shanks
Production Analyst

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 4th day of April 2006, by the person known to me to be Carol Shanks.

My Commission Expires: June 27, 2009


Notary Public

LEASES

PRODUCTION

INVESTMENTS