

NM OIL CONSERVATION DIVISION
P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210

McKay Oil Corporation

P.O. Box 2014

Roswell NM 88201

DATE 04-11-06

Re: Plugging Report

Gentlemen:

Form C-103 Report of Plugging for your Macho State #1 G-32-6-23
Lease Well No. Ut. S-T-R

cannot be approved until an N.M.O.C.D. representative has made an inspection of the location and found it to be cleared to comply with Division Rules and Regulations. Please check each item in the space provided to indicate that the work has been done.

- (/) 1. All pits have been filled and leveled.
- (/) 2. Rat hole and cellar have been filled and leveled.
- (/) 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete. It must show the quarter-quarter section or unit designation, section, township and range numbers which have been permanently stenciled or welded on the marker.
- (/) 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- (/) 5. The dead men and tie downs have been cut and removed.
- () 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by filling in the blank form below and returning this letter to us so that our representative will not have to make more than one trip to the location.

OIL CONSERVATION DIVISION

FILL IN BELOW AND RETURN

I certify that the above work has been done and the above mentioned lease is ready for your inspection and approval.

NAME

TITLE

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. 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-103
Revised June 10, 2003

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

WELL API NO. 30-005-61028	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. LG-5573	
7. Lease Name or Unit Agreement Name Macho State	
8. Well Number 1	
9. OGRID Number	
10. Pool name or Wildcat West Pecos Abo Slope	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4063' GL	

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 ☐ Gas Well ☒ Other

2. Name of Operator
McKay Oil Corporation

3. Address of Operator
PO Box 2014 Roswell, NM 88202-2014

4. Well Location
Unit Letter G, 1980 feet from the North Line and 1980 feet from the East Line.

Section 32, Township 6S, Range 23E, Chaves County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

13. 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 recompletion.

McKay Oil Corporation plugged and abandoned well on Wed, 02/10/99 as follows:

1. Set CIBP @ 2850'
2. Set 5 sks cement plug 2850-2820 (30+ feet)
3. POH
4. Cut 4 1/2" @ 2477'
5. Set 25 sks cement plug across 4 1/2" Stub 2527' to 2427'
6. WOC Tag plug
7. Set 50 sks cement plug across 8 5/8" shoe 1732' - 1632'
8. WOC - Tag plug Cement plug 430' - 330'
9. Set 30 sks cement plug 100' - surface
10. Displace Casing with mud between Cement plugs
11. Install Dry Hole Marker and clean location. Brine gel between all cement plugs
12. Pits, rat hole, cellar filled and leveled
13. 4" steel marker in place, location cleared of all debris and equipment
14. Notified NMOCD of plugging operations

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

SIGNATURE Carol Shanks TITLE Production Analyst DATE 04/11/06

Type or print name Carol Shanks E-mail address: carol@mckayoil.com Telephone No. 505-623-4735

(This space for State use)
APPROVED BY [Signature] TITLE _____ DATE MAY 02 2006
Conditions of approval, if any: _____