

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

DATE 4-11-06

McKay Oil Corporation

P.O. Box 2014

Roswell NM 88201

Re: Plugging Report

Gentlemen:

Form C-103 Report of Plugging for your Wolf State #1 J-16-6-23  
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. 30-005-61044	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. LG-5572	
7. Lease Name or Unit Agreement Name Wolf State	
8. Well Number 1	
9. OGRID Number	
10. Pool name or Wildcat West Pecos Abo Slope	

**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 J, 1980 feet from the South Line and 1980 feet from the East Line  
Section 16, Township 6S, Range 23E, Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
2405' GL

RECEIVED

APR 24 2006

UDD-ARTESIA

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

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 Tue., 06/29/98 as follows:

1. Set CIBP @ 3150'
2. Set 25 sks cement plug 3150' to 3050', Tag
3. Set 25 sks cement plug 1815' to 1715', Tag
4. Set 15 sks cement plug @ 50' to surface
5. Brine gel between all cement plugs
6. Install Dry hole Marker and clean location.
7. Pits, rat hole, cellar filled and leveled
8. Install dry hole marker, location cleared of all debris and equipment
9. 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:

MAY 02 2006