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Form 3160-4  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUN 12 2006

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other			5. Lease Serial No. NM-32308		
1b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv. Other _____			6. If Indian, Allottee or Tribe Name		
2. Name of Operator MCKAY OIL CORPORATION			7. Unit or CA Agreement Name and No.		
3. Address P. O. Box 2014, Roswell, NM 88202-2014			8. Lease Name and Well No. LL&E B FEDERAL #2		
3a. Phone No. (include area code) 505-623-4735			9. AFI Well No. 30-005-63794		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface: 1650' ENL 1980' FEL At top prod. interval reported below At total depth 3050'			10. Field and Pool, or Exploratory 82740		
			11. Sec., T., R., M., on Block and Survey or Area SEC 12, T6S, R22E		
			12. County or Parish CHAVES		
			13. State NM		
14. Date Spudded 03/11/2006		15. Date T.D. Reached 03/25/2006		16. Date Completed 05/25/2006 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.	
18. Total Depth MD TVD 3050'		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? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> 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#		1043'		600sksClsC			
						336sksClsC			
						w/2%KCL			
7 7/8	4 1/2	11.6#		3028'		495sksClsC			
						160sks 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	2806'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Abo	2837'	2845'	11 evenly spaced shots/16'		11	
B) Abo	2865'	2873'	6 evenly spaced shots/8'		6	
C) Abo	2922'	2938'	6 evenly spaced shots/8'		6	
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
ZONE A 2837' - 2845'	Acidize w/2,500gal 10% Abo Acid, Frac w/50,400gal 70% C02 w/30# linear Gel w/16/30Frac Sand
ZONE B 2865' - 2873'	
ZONE C 2922' - 2938'	

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
05/25/2006	05/25/2006	4	→	0	467	0	n/a	n/a	Flowing
Choke Size 32/64	Tbg. Press. Flwg. SI 420	Csg. Press. n/a	24 Hr. Rate →	Oil BBL 0	Gas MCF 2802	Water BBL 0	Gas/Oil Ratio n/a	Well Status	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.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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

## 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	876'				
Tubb	2372'				
Abo	2600'				

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 06/06/2006

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.