

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

1301 W. Grand Avenue

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 Corporation3a. Address
PO Box 2014, Roswell, NM 88202-20143b. Phone No. (include area code)
505.623.4735

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface Location: 660' FSL & 660' FWL LotM, Sec. 15, T6S, R20E

5. Lease Serial No.

NM 36193

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Four Mile Draw B Fed. #7

9. API Well No.

30-005-63865

10. Field and Pool, or Exploratory Area

W. Pecos ABO Slope

11. County or Parish, State

Chaves, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplate 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 recomplate 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.)

The Operator desires to drill this well horizontally as follows:

1. Drill the well verticle to an approximate depth of 2,685' to the top of Abo formation and core down to approximately 3,202'.
2. The hole will be plugged back to approx. 2,302' and begin drilling East 90 degree 600' from verticle to horizontal into the identified Abo payzone, being at approximately 2,875' at 1,110' FWL & 660' FSL. (See attached well information)
3. The horizontal portion of the well will extend 2,000' due east and the bottom hole of the horizontal will be at 3,110' FWL and 660' FSL. (See attached plat) The total length of the hole (verticle, curve and horizontal) will be 5,202'.
4. The casing and cement program will be changed as set forth on Exhibit "A".
5. The name of the well will be changed to the Four Mile Draw B Fed. #7H.

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

James L. Schultz

Title Agent

Signature

Date

01/12/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ ALEXIS C. SWOBODA

PETROLEUM ENGINEER

JAN 18 2007

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.

Office

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)

EXHIBIT "A"

PROPOSED CASING PROGRAM

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Depth</u>
12-1/4"	9-5/8" J-55	#32	950'±
8-3/4"	7" J-55	#23	3300'±
6-1/4"	4-1/2" J-55	#15.5	4,140'±

PROPOSED CEMENTING PROGRAM

9-5/8" – 395 sks Class C and 180 sks Class H cemented and circulated to surface.

7" – 150 sks 50/50 poz Class C

4-1/2" – 380 sks 50/50 2C



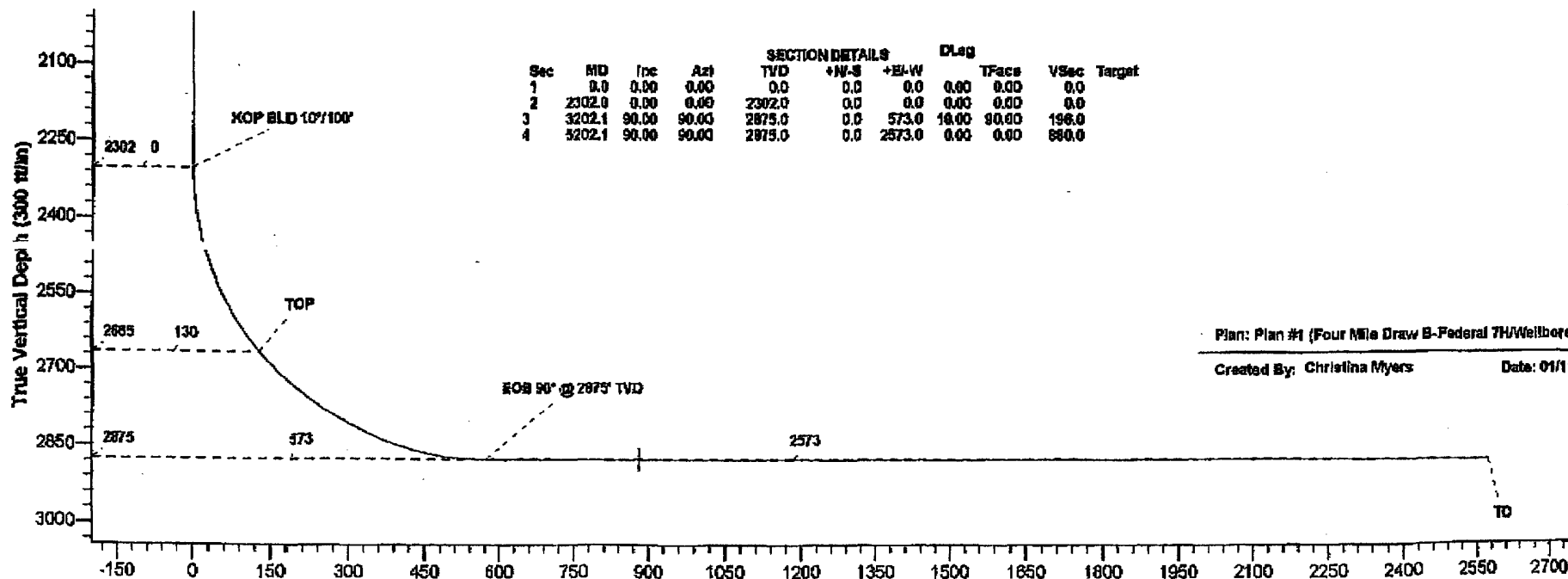
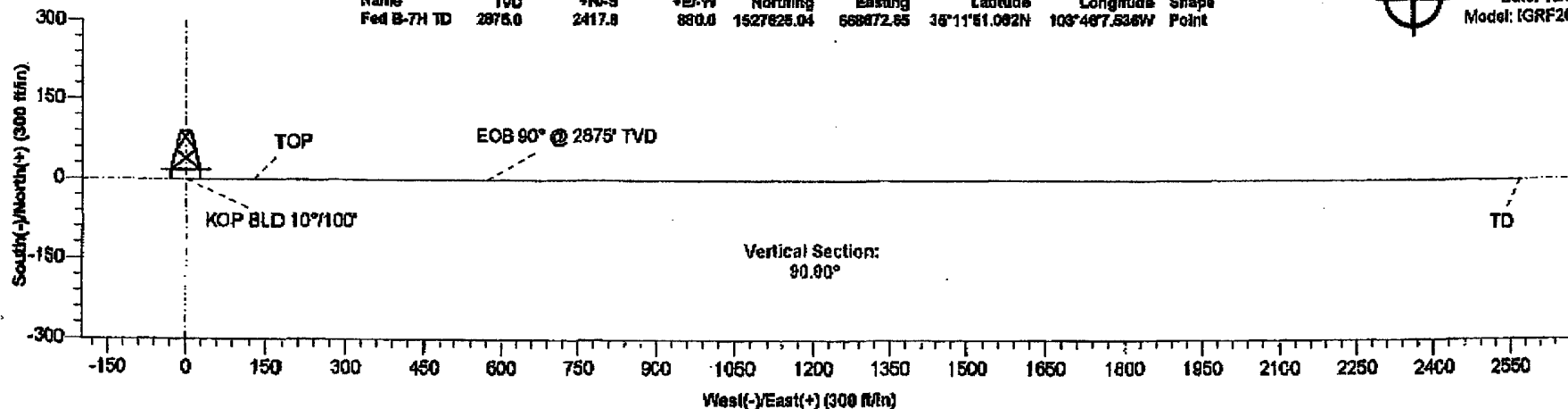
Rock Resources Drilling Company, LLC
Four Mile Draw B-Federal 7H
Chaves County, NM
Plan #1

	Surface Location	Ground Elev: 4368.0	WELL @ 4371.0ft (Original Well Elev)
+N/-S	+E/-W	Northing	Easting
0.0	0.0	1626207.24	667792.66
		Latitude	Longitude
		36°11'27.196N	103°46'18.304W



M Azimuths to Grid North
 True North: -0.32°
 Magnetic North: 8.12°
 Magnetic Field
 Strength: 50827.6nT
 Dip Angle: 82.97°
 Date: 12/20/2008
 Model: IGRF200510-1

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Fed B-7H TD	2875.0	2417.8	880.0	1527825.04	668872.65	36°11'51.092N	103°46'7.536W



Plan: Plan #1 (Four Mile Draw B-Federal 7H/Wellbore #1)

Created By: Christina Myers

Date: 01/11/07

Crescent Directional Drilling

Survey Report

Company: Rock Resources Drilling Company, LL
 Project: Chaves County, NM
 Site: Four Mile Draw
 Well: Four Mile Draw B-Federal 7H
 Wellbore: Wellbore #1
 Design: Plan #1

Local Co-ordinate Reference: Well Four Mile Draw B-Federal 7H
 TVD Reference: WELL @ 4371.0 (Original Well Elev)
 MD Reference: WELL @ 4371.0 (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature
 Database: EDM 2003.11 Single User Db

Project:	Chaves County, NM	System Datum:	Mean Sea Level
Map System:	US State Plane 1927 (Exact solution)		
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Four Mile Draw				
Site Position:		Northring:	1,525,207.24 ft	Latitude:	35° 11' 27.196" N
From:	Map	Easting:	667,792.65 ft	Longitude:	103° 46' 18.304" W
Position Uncertainty:	0.0 ft	Slot Radius:	-	Grid Convergence	0.32 "

Well	Four Mile Draw B-Federal 7H					
Well Position	+N/-S	0.0 ft	Northring:	1,525,207.24 ft	Latitude:	35° 11' 27.196" N
	+E/-W	0.0 ft	Easting:	667,792.65 ft	Longitude :	103° 46' 18.304" W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground L. vel:	4,358.0 ft

Wellbore:	Wellbore #1				
Magnetics:	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510-1	12/20/2006	8.45	6.97	50,828

Design:	Plan #1				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	90.00	

Survey Tool Program:	Date	1/11/2007			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description	
0.0	5,202.1	Plan #1 (Wellbore #1)			

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,302.0	0.00	0.00	2,302.0	0.0	0.0	0.0	0.0	0.00	0.00
KOP BLD 10°/100'									
2,350.0	4.80	90.00	2,349.9	0.0	2.0	2.0	10.0	10.00	0.00
2,400.0	9.80	90.00	2,399.5	0.0	8.4	8.4	10.0	10.00	0.00
2,450.0	14.80	90.00	2,448.4	0.0	19.0	19.0	10.0	10.00	0.00
2,500.0	19.80	90.00	2,496.1	0.0	33.9	33.9	10.0	10.00	0.00
2,550.0	24.80	90.00	2,542.3	0.0	52.8	52.8	10.0	10.00	0.00
2,600.0	29.80	90.00	2,586.7	0.0	75.8	75.8	10.0	10.00	0.00
2,650.0	34.80	90.00	2,629.0	0.0	102.5	102.5	10.0	10.00	0.00
2,695.1	39.31	90.00	2,665.0	0.0	129.6	129.6	10.0	10.00	0.00
TOP									
2,700.0	39.80	90.00	2,668.8	0.0	132.7	132.7	10.0	10.00	0.00

Crescent Directional Drilling

Survey Report

Company: Rock Resources Drilling Company, LL
 Project: Chaves County, NM
 Site: Four Mile Draw
 Well: Four Mile Draw B-Federal 7H
 Wellbore: Wellbore #1
 Design: Plan #1

Local Co-ordinate Reference: Well Four Mile Draw B-Federal 7H
 TVD Reference: WELL @ 4371.0 (Original Well Elev)
 NID Reference: WELL @ 4371.0 (Original Well Elev)
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature
 Database: EDM 2003.11 Single User Db

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,750.0	44.80	90.00	2,705.7	0.0	166.4	166.4	10.10	10.00	0.00
2,800.0	49.80	90.00	2,739.8	0.0	203.1	203.1	10.10	10.00	0.00
2,850.0	54.79	90.00	2,770.2	0.0	242.7	242.7	10.10	10.00	0.00
2,900.0	59.79	90.00	2,797.2	0.0	284.7	284.7	10.10	10.00	0.00
2,950.0	64.79	90.00	2,820.4	0.0	329.0	329.0	10.10	10.00	0.00
3,000.0	69.79	90.00	2,839.7	0.0	375.1	375.1	10.10	10.00	0.00
3,050.0	74.79	90.00	2,854.9	0.0	422.7	422.7	10.10	10.00	0.00
3,100.0	79.79	90.00	2,865.9	0.0	471.5	471.5	10.10	10.00	0.00
3,150.0	84.79	90.00	2,872.6	0.0	521.0	521.0	10.10	10.00	0.00
3,202.1	90.00	90.00	2,875.0	0.0	573.0	573.0	10.10	10.00	0.00
EOB 90° @ 2875' TVD - Fed B-7H TD									
3,300.0	90.00	90.00	2,875.0	0.0	670.9	670.9	0.10	0.00	0.00
3,400.0	90.00	90.00	2,875.0	0.0	770.9	770.9	0.10	0.00	0.00
3,500.0	90.00	90.00	2,875.0	0.0	870.9	870.9	0.10	0.00	0.00
3,600.0	90.00	90.00	2,875.0	0.0	970.9	970.9	0.10	0.00	0.00
3,700.0	90.00	90.00	2,875.0	0.0	1,070.9	1,070.9	0.10	0.00	0.00
3,800.0	90.00	90.00	2,875.0	0.0	1,170.9	1,170.9	0.10	0.00	0.00
3,900.0	90.00	90.00	2,875.0	0.0	1,270.9	1,270.9	0.10	0.00	0.00
4,000.0	90.00	90.00	2,875.0	0.0	1,370.9	1,370.9	0.10	0.00	0.00
4,100.0	90.00	90.00	2,875.0	0.0	1,470.9	1,470.9	0.10	0.00	0.00
4,200.0	90.00	90.00	2,875.0	0.0	1,570.9	1,570.9	0.10	0.00	0.00
4,300.0	90.00	90.00	2,875.0	0.0	1,670.9	1,670.9	0.10	0.00	0.00
4,400.0	90.00	90.00	2,875.0	0.0	1,770.9	1,770.9	0.10	0.00	0.00
4,500.0	90.00	90.00	2,875.0	0.0	1,870.9	1,870.9	0.10	0.00	0.00
4,600.0	90.00	90.00	2,875.0	0.0	1,970.9	1,970.9	0.10	0.00	0.00
4,700.0	90.00	90.00	2,875.0	0.0	2,070.9	2,070.9	0.10	0.00	0.00
4,800.0	90.00	90.00	2,875.0	0.0	2,170.9	2,170.9	0.10	0.00	0.00
4,900.0	90.00	90.00	2,875.0	0.0	2,270.9	2,270.9	0.10	0.00	0.00
5,000.0	90.00	90.00	2,875.0	0.0	2,370.9	2,370.9	0.10	0.00	0.00
5,100.0	90.00	90.00	2,875.0	0.0	2,470.9	2,470.9	0.10	0.00	0.00
5,202.1	90.00	90.00	2,875.0	0.0	2,573.0	2,573.0	0.10	0.00	0.00

TD

Crescent Diretional Drilling**Survey Report**

Company:	Rock Resources Drilling Company, LL	Local Co-ordinate Reference:	Well Four Mile Draw B-Federal 7H
Project:	Chaves County, NM	TVD Reference:	WELL @ 4371.0 (Original Well Elev)
Site:	Four Mile Draw	MD Reference:	WELL @ 4371.0 (Original Well Elev)
Well:	Four Mile Draw B-Federal 7H	North Reference:	Grid
Wellbore:	Wellbore #1	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	EDM 2003.11 Single User Db

Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(ft)	ft	ft	(ft)	(ft)		
Fed B-7H TD	0.00	0.00	2,875.0	2,417.8	880.0	1,527,625.04	688,672.65	35° 11' 51.062" N	103° 46' 07.536" W
- plan misses by 2426.8ft at 3300.0ft MD (2875.0 TVD, 0.0 N, 670.9 E)									
- Point									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S (ft)	+E/-W (ft)	
2,302.0	2,302.0	0.0	0.0	KOP BLD 10°/100°
2,695.1	2,665.0	121.8	44.3	TOP
3,202.1	2,875.0	538.4	196.0	EOB 90° @ 2875' TVD
5,202.0	2,875.0	2,417.8	880.0	TD

Checked By: _____	Approved By: _____	Date: _____
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