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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. FOUR MILE DRAW C FEDERAL #7
2 Name Of Operator MCKAY OIL CORPORATION		9 API Well No. 30-005-63967
3a Address P.O. BOX 2014 ROSWELL, NM 88202-	3b Phone No. (include area code) 505-623-4735	10. Field and Pool, or Exploratory Area W PECOS ABO SLOPE-82740
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) LOT M, Sec 15, T6S, R22E, 660' FWL & 770' FSL		11. County or Parish, State CHAVES COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> 1) Surf Casing 8 5/8"
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	2) TD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	3) Prod Casing 5 1/2"

13 Described 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 recompleat 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 recompleat 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.)

MCKAY OIL CORPORATION commenced drilling on 11/10/07.

11/15/07: Ran 910' of 8-5/8", J-55, 24# casing. Rig up cementers. Pumped 600skts Prem-Plus C. Ran temp survey, tagged @ 700'. 1" to surface w/475skts Prem-Plus C. WOC18 hrs. Casing pressure tested to 500psi – 30 min/tested OK.

11/20/07: Reached TD of 3000' @ 9:15am.

11/21/07: Ran 2976' of 5 1/2", J-55, 15.5# casing. Rig up cementers. Pumped 145skts "C" Neat. WOC 18hrs. Ran pressure test @ 2500psi – Tested OK.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Carol Shanks		Title Production Analyst
Signature 		Date 11/27/2007
ACCEPTED FOR RECORD		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved By 	Title	NOV 29 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	acs ALEXIS C. SWOBODA PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 makes 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.

12/16/07