

CMD : ONGARD 02/05/04 16:08:10  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP70

OGRID Idn : 14424 API Well No: 30563639 APD Status(A/C/P): A  
Opr Name, Addr: MCKAY OIL CORP Aprvl/Cncl Date : 09-03-2003  
#1 MCKAY PL  
ROSWELL,NM 88201

Prop Idn: 21675 SOUTH FOUR MILE DRAW B FEDERAL COM Well No: 8Y

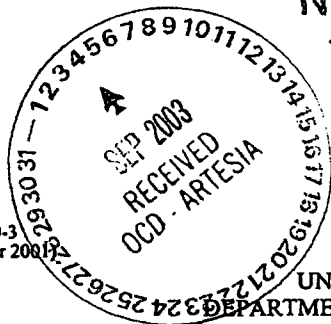
	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	O	22	06S	22E			FTG 708 F S	FTG 2129 F E
OCD U/L :	O		API County :	5				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4255

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 3200 Prpsd Frmtn : W PECOS SLOPE ABO

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12



N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-36194
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator McKay Oil Corporation		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 2014 Roswell, NM	3b. Phone No. (include area code) 505-623-4735	8. Lease Name and Well No. S4 Mile Draw "B" Fe
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 708' FSL & 2129' FEL At proposed prod. zone		9. API Well No. 30-005-63639 Com #84
14. Distance in miles and direction from nearest town or post office* Approximately 25 Miles north of Roswell		10. Field and Pool, or Exploratory W. Pecos Slope ABO
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 708'		11. Sec., T., R., M., or Blk. and Survey or Arc. Sec 22, T6S, R22E
16. No. of Acres in lease 2,520		12. County or Parish Chaves
17. Spacing Unit dedicated to this well 160.00		13. State NM
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. 1150'		
19. Proposed Depth 3,200'		
20. BLM/BIA Bond No. on file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,255'		
22. Approximate date work will start* August 31, 2003		
23. Estimated duration 7-10 days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) April D. McKay	Date 8/19/03
Title VP		

Approved by (Signature) 	Name (Printed/Typed) LARRY D. BRAY	Date SEP 03 2003
Title Assistant Field Manager,		Office ROSWELL FIELD OFFICE

Application approval does not constitute a finding of legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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 reverse)

MOC spudded this well on May 13, 1998. Rig Collapsed and dry hole marker placed November 22, 2002. Sundry filed on 7/21/03 to move well bore 17' to the west. Existing pad will be used. Location still good. New acrea and dedication plat attached.

NSL

APPROVED FOR 1 YEAR

District I  
PQ Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

RECEIVED AUG 18 2003

Form C-102  
Revised October 18, 1994

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name	<sup>6</sup> Well Number
	S 4 MILE DRAW FED COM "B"	8
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	<sup>9</sup> Elevation
	McKAY OIL CORP.	4255

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	22	6S	22E		708	SOUTH	2129	EAST	CHAVES

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup>	<sup>17</sup> OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
	<i>April McKay</i> Signature
	April McKay Printed Name
	V.P. Title
	8/19/03 Date
	<sup>18</sup> SURVEYOR CERTIFICATION
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	AUGUST 2003 Date of Survey
	Signature and Seal of Surveyor
	JACKIE D. ATKINS NEW MEXICO 8504 LAND SURVEYOR
	LS 8504 Certificate Number

708' 2129'  
S 4 MILE DRAW FED. COM. "B" #8

**PERTINENT INFORMATION**

FOR

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

<b><u>LOCATED:</u></b>	24 air miles Northwest of Roswell, NM.
<b><u>LEASE NUMBER:</u></b>	NM-36194
<b><u>LEASE ISSUED:</u></b>	May 1, 1981
<b><u>RECORD LESSEE:</u></b>	McKay Oil Corporation McKay Children's Trust
<b><u>BOND COVERAGE:</u></b>	Operator's \$25,000 Statewide
<b><u>AUTHORITY TO OPERATE:</u></b>	Assignment of Operating Rights
<b><u>ACRES IN LEASE:</u></b>	2,520.00 acres, more or less
<b><u>SURFACE OWNERSHIP:</u></b>	Federal
<b><u>OWNER:</u></b>	USA-BLM
<b><u>POOL RULES:</u></b>	General Statewide Rules
<b><u>EXHIBITS:</u></b>	A. Road and Well Map B. Contour Map C. Rig Layout D. BOP Diagram E. Lease Map F. Location Topography

## SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

The following items supplement Form 3160-3 in accordance with instruction contained in Onshore Oil and Gas Order No. 1:

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS:  
Yeso - 876'  
Tubb - 2372'  
Abo - ~~3052'~~ 2625' fmc
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:  
Fresh Water - In surface formation above 600'  
Gas - In Abo Formation below 3052'
4. PROPOSED CASING PROGRAM: See Form 3160-3 gwc
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of 2ram, 2M  
w/ Rotary Head with a rotating rubber with 1,000#WP and 1,000# test  
pressure and a steel Blooey Line with 1,000#WP valve. A  
sketch of the BOP is attached.
6. CIRCULATION MEDIUM: Air Drilling
7. AUXILIARY EQUIPMENT: Full-opening drill string safety valve fit for  
the drill string in use, will be kept on the rig floor at all times.

8. TESTING, LOGGING AND CORING PROGRAM:

Samples: Catch samples from surface to TD.  
DST's: None.  
Logging: GR-CNL, Dual Lateral MSFL from  
surface to TD.  
Coring: None.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated.

10. ANTICIPATED STARTING DATE: On or before 1-15-97  
Drilling should be completed within 60 days. Completion  
operations (perforations and stimulation) will follow drilling operations.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

MCKAY OIL CORPORATION  
SOUTH 4 MILE DRAW FEDERAL "B" #8  
SW/4SE/4 of Sec. 22, T-6S, R-22E  
Chaves County, New Mexico

NM 36194

This plan is submitted with the application for permit to drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

### **1. EXISTING ROADS:**

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well is staked. the well is approximately 23 miles north of Roswell, NM.
- B. Directions: Heading North out of Roswell, New Mexico on U.S. 285 for approximately 23 miles and turn left on county road just before mile marker 137 (Cottonwood Road). Go approximately 8.5 miles, then turn left just after the gravel pit, then go approximately 1/2 mile southeast to the access road for the South 4 Mile Draw Federal #8, the new access road for the proposed well will be immediately south of said location.

### **2. PLANNED ACCESS ROAD:**

- A. Length and Width: 1/4 miles long and 20' wide.
- B. Surface Materials: Sand, gravel and caliche where needed.
- C. Turnouts: None
- D. Maximum Grade: Nor more than 3%.
- E. Drain Design: Road will have drainage ditches on both sides and a crowned top, with culverts and/or low water crossings as necessary.
- F. Culverts: None.
- G. Cuts and Fill: None.

H. Gates, Cattleguards: NONE.

I. Top Soil: Very little.

3. LOCATION OF EXISTING WELLS:

A. A map indicating the location of adjacent wells is attached.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A: See Exhibit "A" for location of existing lease wells. If the well is commercial, production facilities and tank battery will be constructed.

B. Cuts and Fills: Less than 10' of cut and fill will be required for the pad size of 235' x 270'. (See Exhibit "F")

C. Top Soil: Any top soil which can sustain plant vegetation will be bladed and piled for future rehabilitation.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be purchased from a commercial source and trucked to the location over existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Private Pit. To be determined at a later date.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt or deposited in an approved sanitary landfill. All waste material will be contained by a netted container to prevent scattering by the wind.



F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" indicates the relation location and dimensions of the well pad, mud pits, reserve pit and major rig equipment.

B. The location slopes very slightly to the southwest.

C. The reserve pit will be lined with plastic to prevent loss of water.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing conditions as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the well is non-productive or abandoned, the disturbed area will be rehabilitated using the preserved soil mentioned in 2.I. and 4.C.

11. OTHER INFORMATION:

A. Topography: The topography is a gradual slope to the southwest in the vicinity of the access road and southwest in the vicinity of the drill pad. Regional slope is south toward the China Draw which is adjacent to the location.

B. Soil: Sandy loam with limestone outcropping.

C. Flora and Fauna: The flora consists of typical desert vegetation, such as yucca, cactus and various grasses. Fauna consists of desert wildlife such as coyotes, rodents, snakes, deer and antelope.

D. Ponds and Streams: China Draw is adjacent to the proposed location.

E. Residences and other Structures: The McKnight ranch house is approximately 2 1/2 miles east of this location.

F. Archaeological, Historical and Other Cultural Sites: Mr. Richard Coleman of Trigon Engineering Inc., Farmington, New Mexico has conducted archeological examinations of the proposed drillsites and has submitted his findings to the BLM.

G. Land Use: Grazing.

H. Surface Ownership: Federal.

12. OPERATOR'S REPRESENTATIVE:

Gary Richburg  
Roswell, New Mexico  
(505) 623-4735

13. CERTIFICATION:

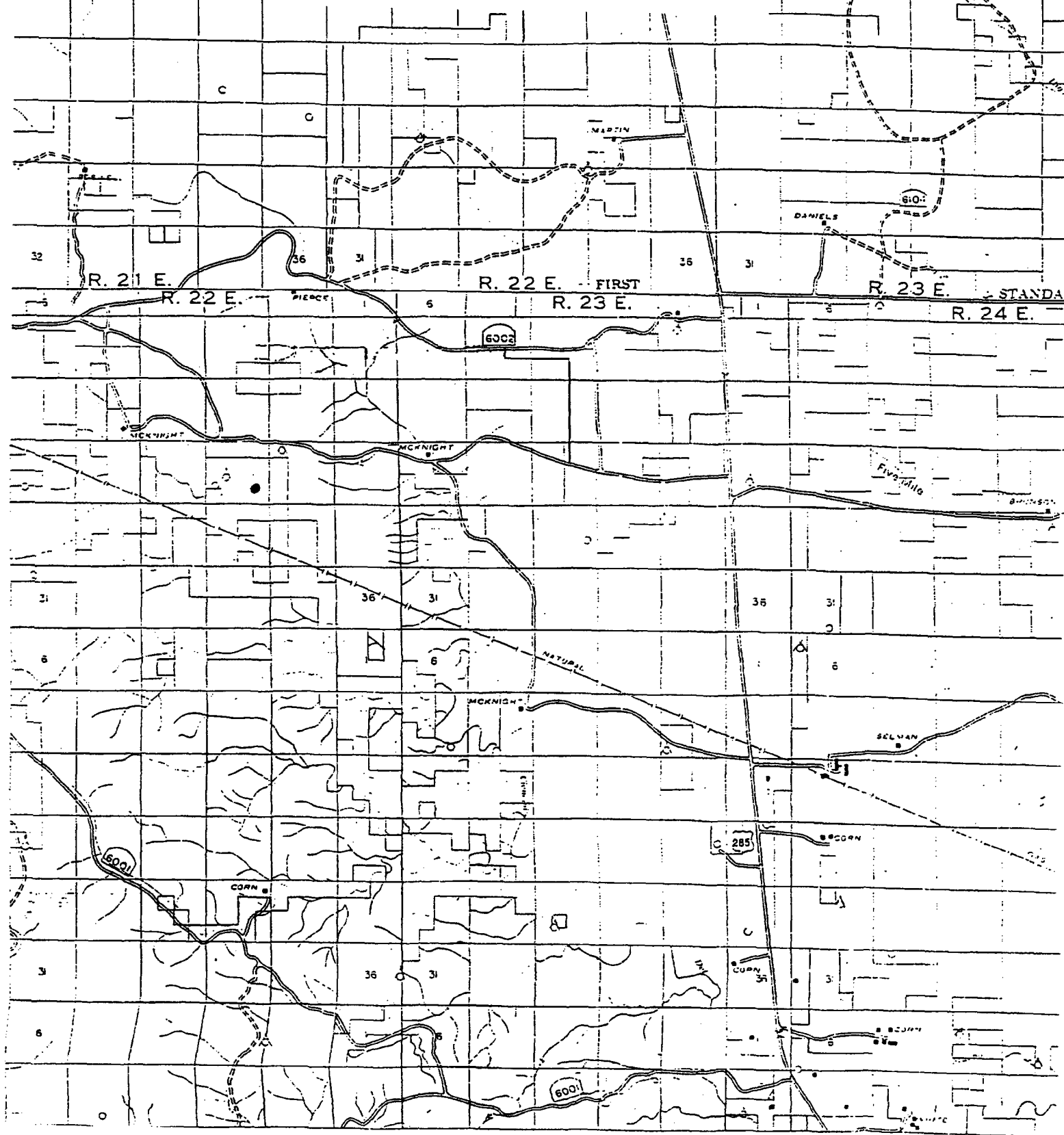
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by MCKAY OIL CORPORATION and its subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.

12-12-96  
DATE

Billy M. Stead

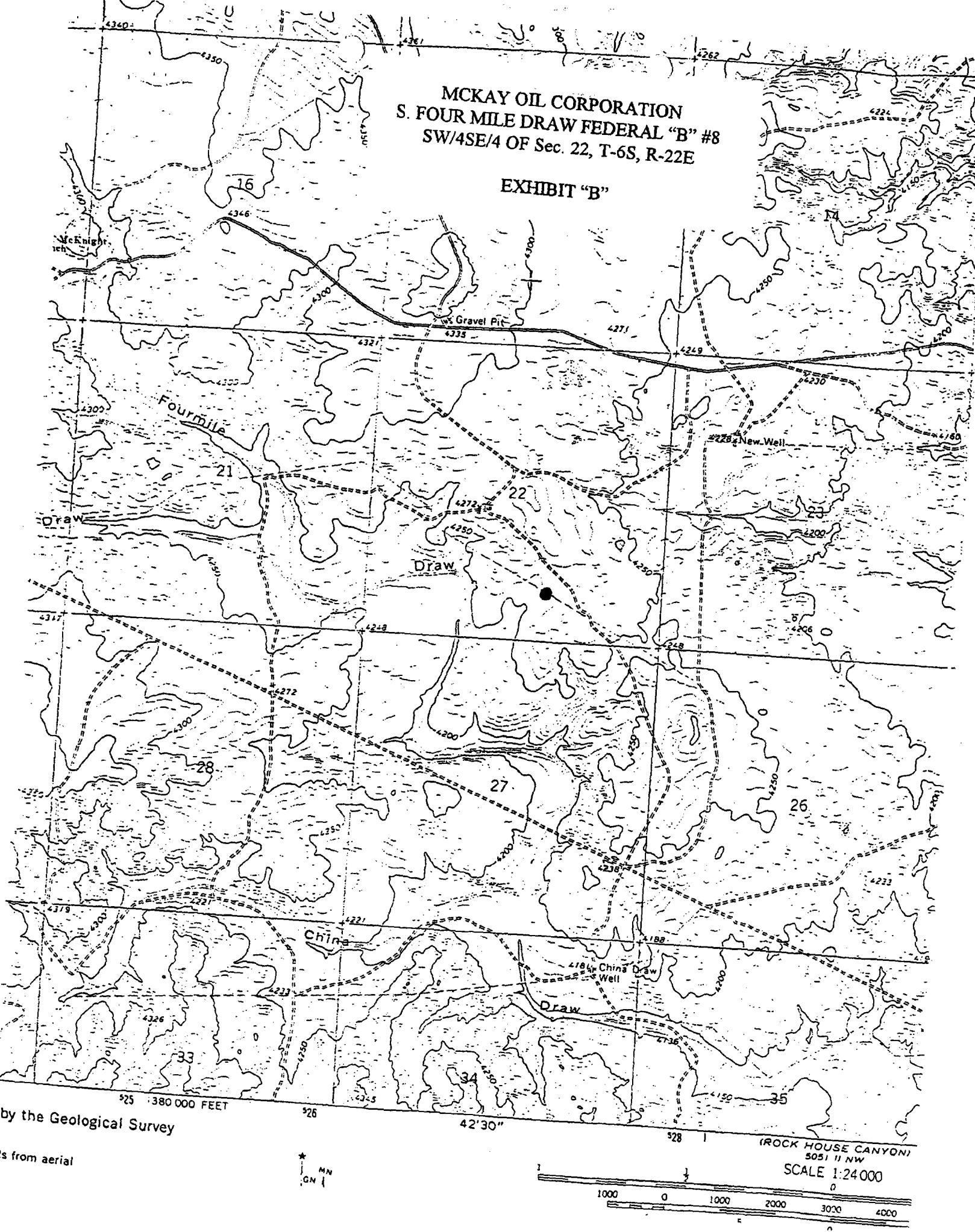
MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "A"



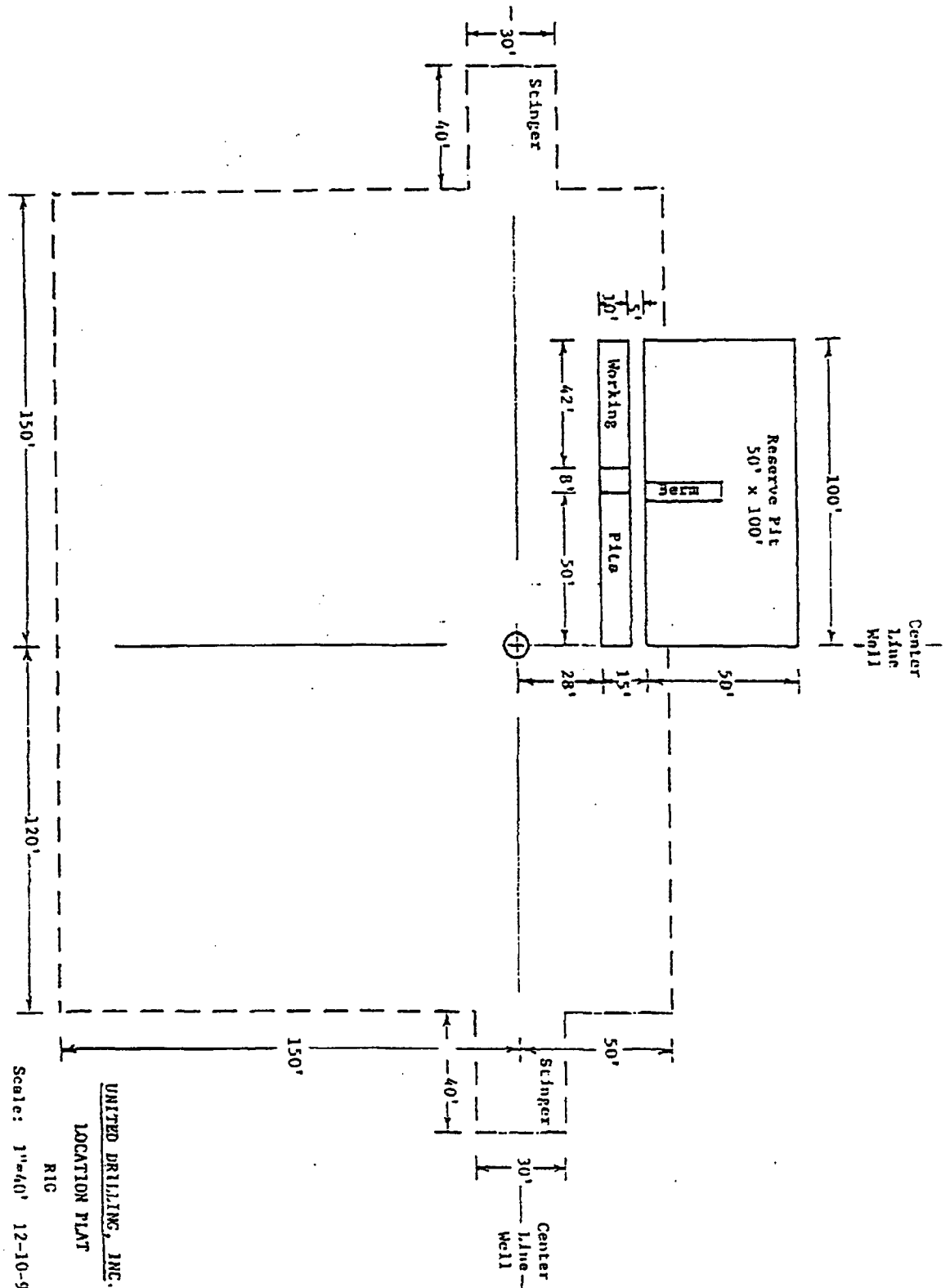
MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "B"



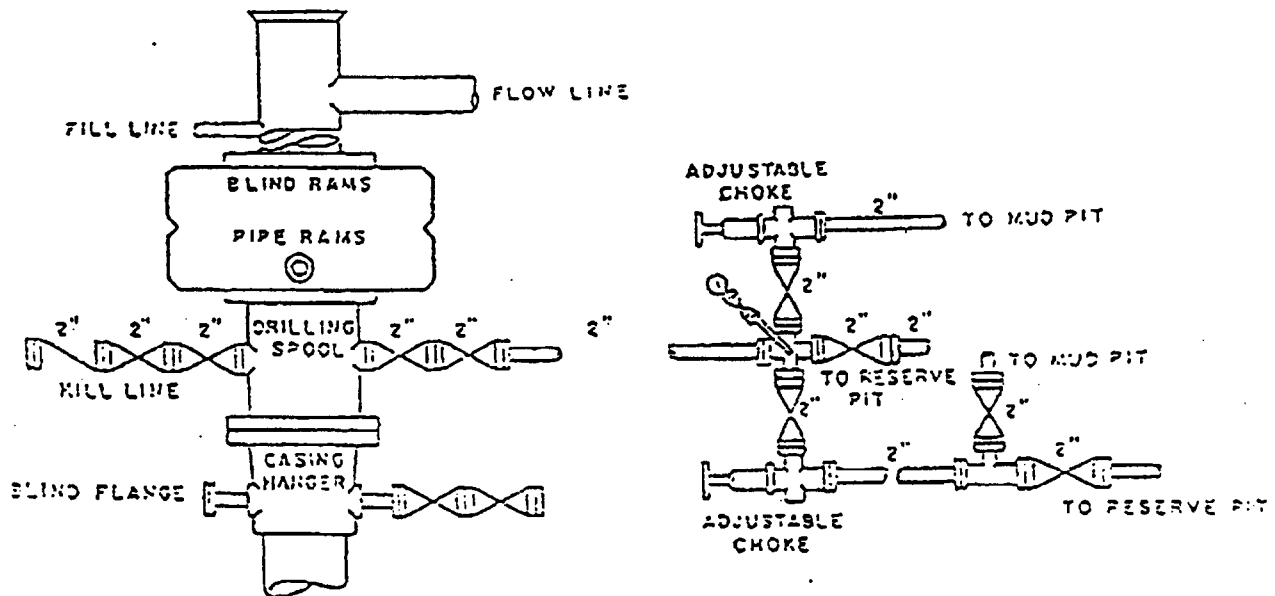
MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "C"



MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "D"

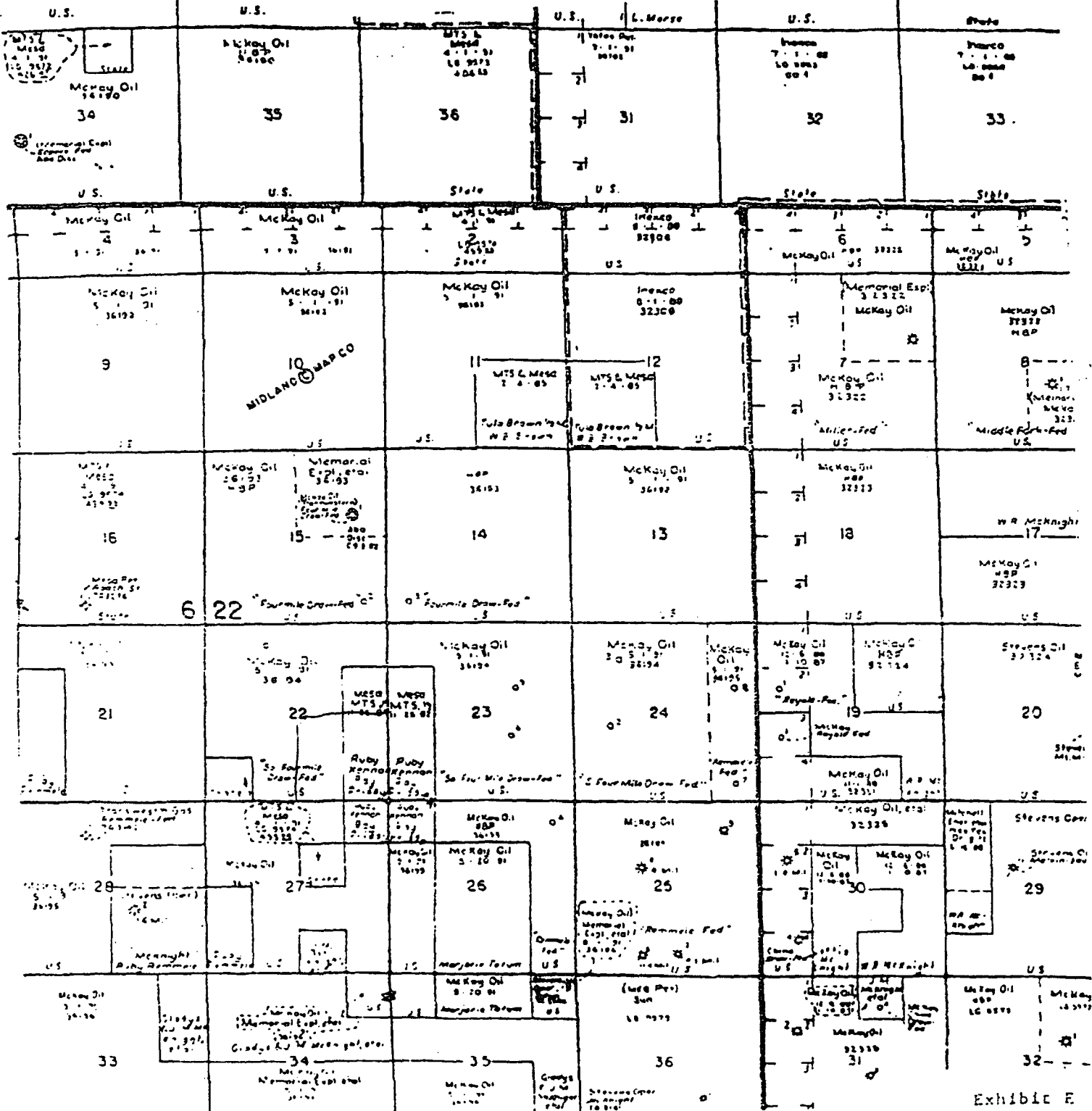


SOP DIAGRAM

3000# Working Pressure  
Rams Operated Daily

**MCKAY OIL CORPORATION**  
**S. FOUR MILE DRAW FEDERAL "B" #8**  
**SW/4SE/4 OF Sec. 22, T-6S, R-22E**

**EXHIBIT "E"**



MCKAY OIL CORPORATION  
S. FOUR MILE DRAW FEDERAL "B" #8  
SW/4SE/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "F"

THERE IS NO EXHIBIT "F"



Oil Cons.  
N.M. Div-Dist. 2  
1801 W. Grand Avenue  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**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**

5. Lease Serial No.  
NM-36194

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
S 4 Mile Draw "B" Fed Com #8Y

9. API Well No.  
30-005- 63639

10. Field and Pool, or Exploratory Area  
WEST PECOS ABO SLOPE

11. County or Parish, State  
CHAVES COUNTY, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name Of Operator

MCKAY OIL CORPORATION

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-

3b. Phone No. (include area code)

505-623-0735

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

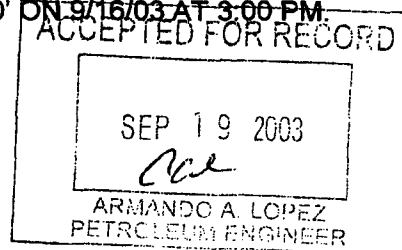
708' FSL & 2129' FEL, SEC 22, T6S, R22E

**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"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	TD

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 REACHED TOTAL DEPTH OF 3220'



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

NANETTE WHITTINGTON

Signature

*Nanette Whittington*

Title

PRODUCTION ANALYST

Date

9/17/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

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, 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.

(Instructions on reverse)

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

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5. Lease Serial No.

NM-36194

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

S 4 Mile Draw "B" Fed Com #8Y

9. API Well No.

30-005-~~00000~~ 63639

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

**RECEIVED**

NOV 14 2003

**OCD-ARTESIA**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name Of Operator

MCKAY OIL CORPORATION

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-

3b. Phone No. (include area code)

505-623-4735

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

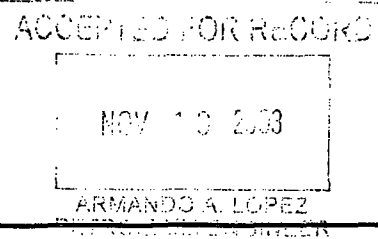
708' FSL & 2129' FEL, SEC 22, T6S, R22E

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

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<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"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	INT CSG

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.)

9/16/03 RAN 74 JOINTS OF 5 1/2" J-55 15.5# CSG, SET AT @ 3200'. PUMPED 250 SACKS 50/50 POZ  
PLUG DOWN 5:00 PM



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

NANETTE WHITTINGTON

Signature

*Nanette Whittington*

Title

PRODUCTION ANALYST

Date

11/6/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

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

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(Instructions on reverse)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
NM-36194

- 1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other  
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,  
Other \_\_\_\_\_

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator

McKay Oil Corporation P.O. Box 2014 Roswell, NM88202

3. Address

P.O. Box 2014 Roswell, NM88202

3a. Phone No. (include area code)

505-623-4735

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At surface 708' FSL &amp; 2129' FEL

At top prod. interval reported below

At total depth

NOV 14 2003  
OCD-ARTESIA

8. Lease Name and Well No.

S4 Mile Draw B Fed Com 8

9. API Well No.

30-005-63639

10. Field and Pool, or Exploratory

Pecos Slope ABO

11. Sec., T., R., M., on Block and  
Survey or Area S22, T6S, R22E

12. County or Parish

Chaves

13. State

NM

14. Date Spudded

9/9/03

15. Date T.D. Reached

9/16/03

16. Date Completed 10/21/03

☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*

KB-4267', GL-4255'

DF-4266'

18. Total Depth: MD  
TVD 3220'19. Plug Back T.D.: MD  
TVD 3154'20. Depth Bridge Plug Set: MD  
Retrievable TVD 2870'

21. Type Electric &amp; Other Mechanical Logs Run (Submit copy of each)

Compensated Neutron, Perf Log and Cement  
Bond Log (NO Laterolog)22. Was well cored? ☐ No ☐ Yes (Submit analysis)Was DST run? ☐ No ☐ Yes (Submit report)Directional Survey? ☒ No ☐ 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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4									
8 5/8	J55	24#	0	942'		400 sks	class c prem c	irc to surf	
5 1/2	J55	15.5#		3200'		250 sks	50/50 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	3180'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) ABO	2778-	2796	18 ft	4" OD	52	
B) ABO	2898-	2920	22 ft	4" OD	120	
C)						
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
2778-2920	1000 gal of 10% HCL
2778-2920	144,000 gal of CO2 Foam + 130,000 lbs of 20/40

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
10/31	10/21	24	→		204				Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
34/64	35	35	→		204			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 reverse side)

ARMANDO A. LOPEZ  
PETROLEUM ENGINEER

## 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

## 32. Additional remarks (include plugging procedure):

## 33. Circle enclosed attachments: All logs and sundrys have been sent Logs 11/3/03

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7. 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) APRIL D MCKAY

Title VP

Signature 

Date 11/5/03

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.

WELL NAME AND NUMBER South 4 Mile Draw Federal B Com No. 8Y  
LOCATION 708' FSL & 2129' FEL, Section 22, T6S, R22E, Chaves County NM  
OPERATOR McKay Oil Corporation  
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2° 509'</u>	<u>                    </u>	<u>                    </u>
<u>1° 1030'</u>	<u>                    </u>	<u>                    </u>
<u>3/4° 1502'</u>	<u>                    </u>	<u>                    </u>
<u>1° 2036'</u>	<u>                    </u>	<u>                    </u>
<u>1-1/4° 1571'</u>	<u>                    </u>	<u>                    </u>
<u>3/4° 3010'</u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>

Drilling Contractor United Drilling, Inc.

By: George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 18<sup>th</sup> day of September,  
2003.

Harmon T. Hensley  
Notary Public

My Commission Expires: 09-25-03

Chaves NM  
County State

Orig → BLM  
11/6/03 m!