

OIL CONSERVATION DIVISION  
ARTESIA, NEW MEX. 88210

TO: DAVID

FROM: CARMEN

DATE: 10 29-91

NUMBER OF SHEETS ( INCLUDING TRANSMITTAL SHEET ) 5

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL 505-748-1283.

FAX NUMBER: (505) 748-9720

Form 3160-3 (November 1980) (formerly 9-33)

NM OIL CONS. COMMISSION

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL

DEEPEN

PLUG BACK

B. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

McKay Oil Corporation

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

660' FWL-660' FNL

Canyon

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

18 Miles northwest of Carlsbad

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 660'

18. NO. OF ACRES IN LEASE

446.5

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1,320.0

19. PROPOSED DEPTH

8,100'

17. NO. OF ACRES ASSIGNED TO THIS WELL

320.0

20. ROTARY OR CARLDS TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3622

See attached exhibit

22. APPROX. DATE WORK WILL START

August 30, 1991

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF TOOL, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes rows for 14 3/4 and 8 3/4 casing sizes.

MUD Program:

Fresh water to 7,000' switch to fresh water gel to 8,100'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE agent DATE 8-3-91

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE APPROVED BY [Signature] TITLE DATE 9-6-91

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

\*See Instructions On Reverse Side

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.

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to Appropriate  
District Office  
Title Lease - 4 copies  
Oil Lease - 3 copies

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

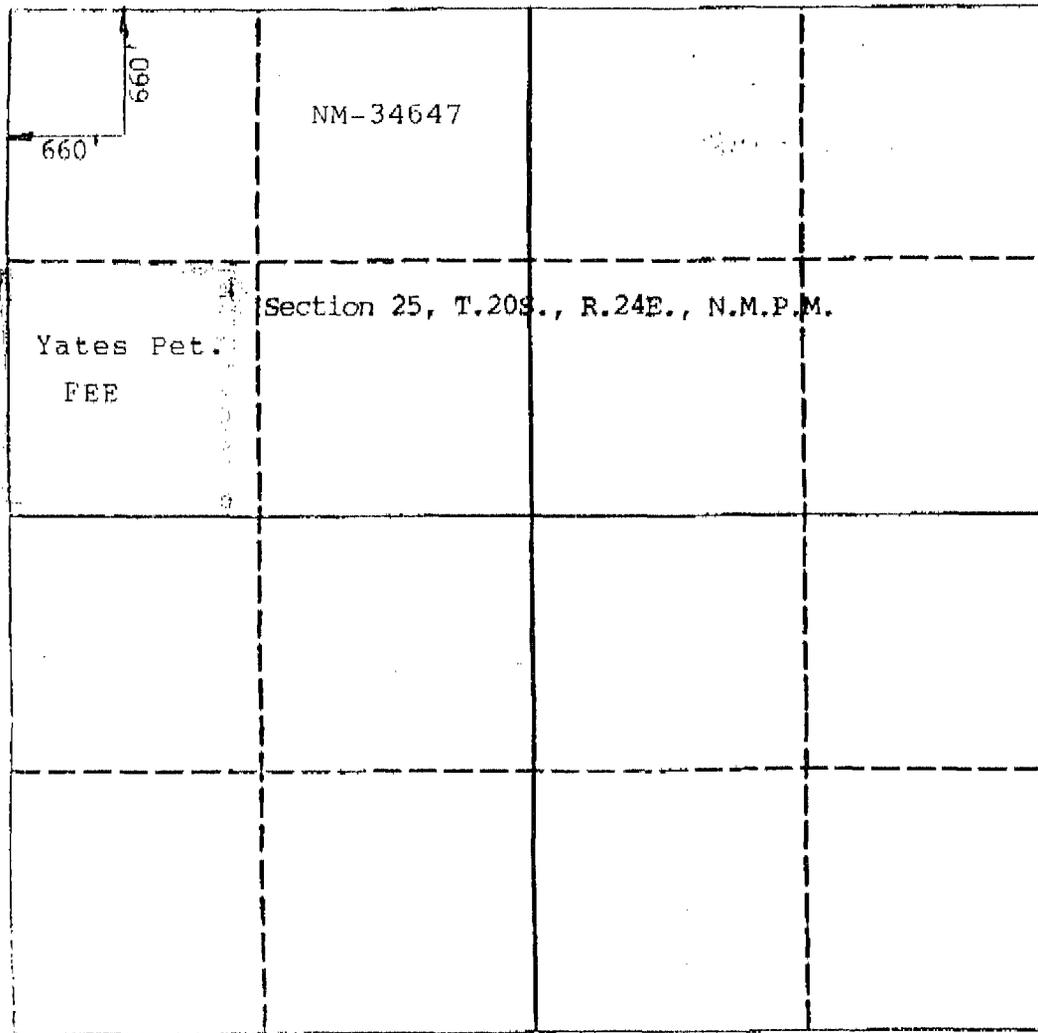
DISTRICT III  
P.O. Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator McKay Oil Corporation		Lease Charlotte McKay Federal		Well No. 112
Unit Letter D	Section 25	Township 20S.	Range 24E. NMPM	County Eddy
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line				
Ground level Elev. 3622	Producing Formation Canyon	Pool Dagger Draw South	Dedicated Acreage: 320.0 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc?  
 Yes  No If answer is "yes" type of consolidation communization pending  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
 No allowable well be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Sam J. Shackelford*  
Signature

Sam J. Shackelford  
Printed Name

Agent  
Position

McKay Oil Corp.  
Company

7-30-91  
Date

**SURVEYOR CERTIFICATION**

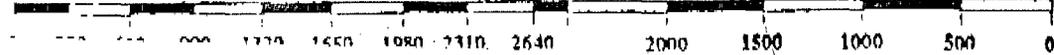
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

7/25/91  
Date Surveyed

*Sam J. Shackelford*  
Signature of State of Professional Surveyor

6299  
Certificate No.

PROFESSIONAL ENGINEER



CASE 10406: Application of Amoco Production Company for a secondary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute either a pressure maintenance or waterflood pilot project, whichever is deemed applicable pursuant to Division General Rule 701 on its South Mattix Unit comprising all of Section 15 and the NE/4, E 2 NW/4, N/2 SE/4, and the SE/4 SE/4 of Section 22, Township 24 South, Range 37 East, by the injection of water into the Fowler-Upper Yeso Pool, through seven certain injection wells to either be drilled or converted. Said project area is located approximately seven miles north-northeast of Jal, New Mexico.

CASE 10370: (Readvertised and continued from September 19, 1991, Examiner Hearing.)

Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

CASE 8352: (Reopened)

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737-A, which order established temporary special pool rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. All interested parties may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

CASE 10407: Application of Great Lakes Chemical Corporation for an exception to Division Order No. R-333-I and the Reassignment of Retroactive Gas Allowables, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the retroactive reassignment of gas allowables to the following six wells located in Township 27 North, Range 8 West, Blanco-Mesaverde Pool, said allowable for each well to be based on delinquent deliverability tests. The applicant further requests an exception to the provisions of Division Order No. R-333-I whereby each well would be exempt from any late penalties on allowables caused by failure to submit deliverability well test data in a specified time:

- Graham Well No. 1 (Unit A) Section 4
- Graham Well No. 1A (Unit P) Section 4
- Graham Well No. 3 (Unit J) Section 3
- Hammond Well No. 5 (Unit F) Section 35
- Hammond Well No. 55 (Unit B) Section 26
- Hammond Well No. 55 A (Unit D) Section 26

CASE 10386: (Reopened)

Application of McKay Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the N/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre oil or gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.

CASE 10363: (Reopened)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.