

# McKay Oil Corporation

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735

STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505 / 624 - 2202



November 21, 1990

RECEIVED

NOV 21 1990

OIL CONSERVATION DIVISION

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Attention: David R. Catanach

RE: Administrative Approval  
Horizontal Drilling  
West Fork Unit #10  
Chaves County, New Mexico

10190

Dear Mr. Catanach:

This letter is to request administrative approval of deviation drilling for the captioned well which is located as described below:

West Fork Unit #10  
1980 FSL 1980 FWL  
Section 6, T-5S-22E

A copy of the approved Application for Drilling Permit is enclosed for your reference.

The proposed plan for horizontally drilling of this well shall be as follows:

- (1) Drilling a verticle hole to a total depth of approximately 3400 feet from ground level.
- (2) Run compensated neutron log and dual lateral log to TD.
- (3) If productive zone is indicated, cement back to approximately 40 feet above the zone and wait 24 hours.
- (4) Using a horizontal tool, at the top of the cement commence drilling a 90° curve to reach a horizontal plane at approximately 45 feet below kickoff point and 50

page 2 of 2  
Oil Conservation Division  
November 21, 1990

feet from verticle wellbore. (The direction of the kickoff can not be determined until actual drilling is commenced, but the drilling will not be any closer than 660 feet from an outside boundary line.)

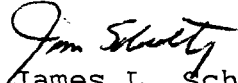
- (5) Drilling horizontally for approximately 500 feet from the verticle wellbore.
- (6) Run directional surveys to determine location of bottom of hole.
- (6) Run casing liner and tubing.

McKay Oil Corporation is the lessee of the adjacent proration units to this well and therefore no additional notices are required.

Should this request meet with your approval, please notify this office at your earliest convenience.

Very truly yours,

MCKAY OIL CORPORATION



James L. Schultz  
V.P. Land & Legal

JLS/tr  
40:OCD1-2

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on the  
reverse side)

Project No. 100-100000-01  
Expires Aug 31, 1985  
LEASE IDENTIFICATION NUMBER

NM-32312

IF INDIAN, ALLOTTEE OR TRIBE

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

1. ☐ OIL ☐ GAS ☒ OTHER  
WELL WELL WELL
2. NAME OF OPERATOR  
McKay Oil Corporation
3. ADDRESS OF OPERATOR  
Post Office Box 2014, Roswell, New Mexico 88201
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below)  
At surface  
1980' FSL & 1980' FWL

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

West Fork Federal

9. WELL NO.

10

10. FIELD AND FOOT OR SURFACE

W. Pecos Slope-Abo

11. SEC., T., R., M., OR B.L. AND  
SURVEY OR ACCT.

Sec. 6-5S-22E

14. PHONE NO.

15. ELEVATION (Show whether OF, B., OR, etc.)

4357' GR

Chaves

NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT OFF

PLUG OR CEMENT

SHOOT OR ACIDIZE

REPAIR WELL

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON\*

CHANGE PLANT

1 year extension-APD

X

SUBSEQUENT REPORT OF:

WATER SHUT OFF

FRACURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. GENERAL PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any  
proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and down hole  
neat to this work.)\*

Operator requests a 1 year extension of the Application for Permit to Drill  
on the above referenced location.

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

SIGNED Theresa Rodriguez

TITLE Production Analyst

DATE 10-26-90

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

# OPERATOR'S COPY

Form 9-3314C  
(May 1963)

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

Form approved,  
Budget Bureau No. 42-B1425.

## UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

### 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, New Mexico 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 1980' FSL & 1980' FWL, NE/4 SW/4, Unit letter K  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE  
 33 air miles north of Roswell, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 (Also to nearest drilg. unit line, if any.) 1980'

16. NO. OF ACRES IN LEASE 1920  
 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1/4 mile

19. PROPOSED DEPTH 3,400'  
 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4357' GR

22. APPROX. DATE WORK WILL START ASAP

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-32312  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
 West Fork Federal  
 9. WELL NO.  
 10  
 10. FIELD AND POOL, OR WILDCAT  
 W. Pecos Slope Abo  
 11. SEC., T., S., M., OR BLK. AND SURVEY OR AREA  
 Sec. 6, T5S, R22E  
 12. COUNTY OR PARISH  
 Chaves  
 13. STATE  
 NM

#### PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0 J-55	900'	850 cf cement circulated
7 7/8"	4 1/2"	10.5 J-55	TD	1200 cf cement including 480 cf to tie in 4 1/2" to 8 5/8" from 1500' to 800'.

We propose to drill and test the Abo formation. Approximately 900' of surface casing will be set and cemented to surface. If commercial, 4 1/2" production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: See Supplemental Drilling Data Which is Attached.

BOP PROGRAM: BOP will be installed on 8 5/8" casing and tested daily.

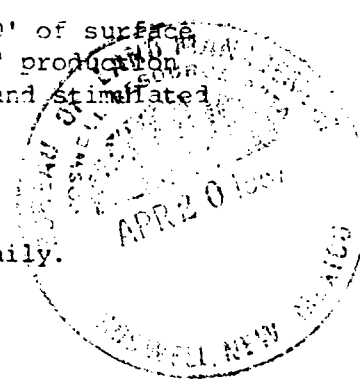
Gas is not dedicated.

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.

24. SIGNED Terry W. Mandeli TITLE Landman DATE 4/16/87  
 (This space for Federal or State office use)

PERMIT NO. APPROVAL DATE  
 APPROVED BY Phil Gork TITLE Area Mgr. DATE 6/10/87  
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION 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.



All distances must be from the outer boundaries of the Section.

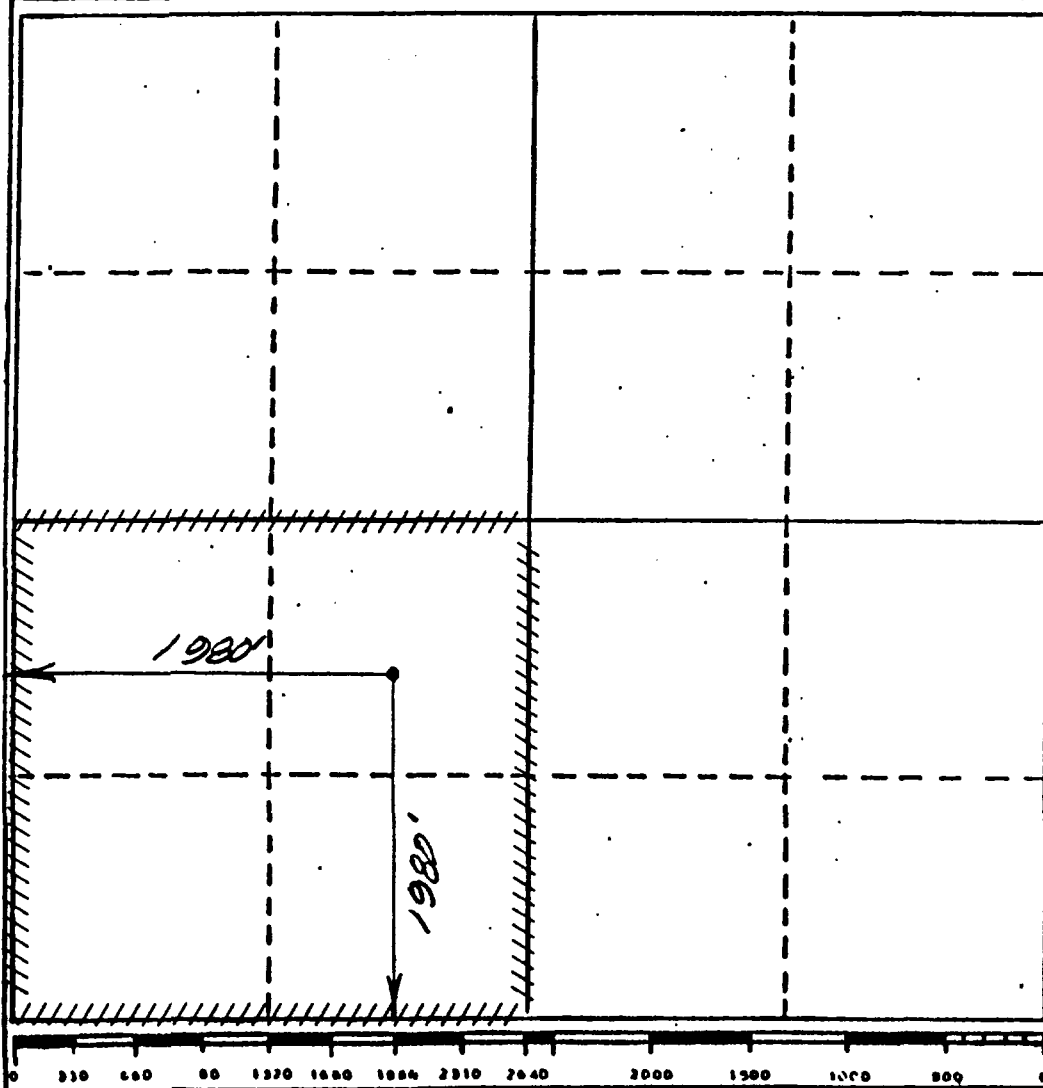
Operator McKay Oil Corp.		Lease West Fork Federal		Well No. #10
Unit Letter K	Section 6	Township 5 South	Range 22 East	County Chaves
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line				
Ground Level Elev. 4357	Producing Formation Abo		Pool W. Pecos Slope-Abo	Dedicated Acreage 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

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 will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



## CERTIFICATION

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

*Terry W. Franklin*  
Name

Terry W. Franklin  
Position

Agent  
Company

McKay Oil Corporation

Date  
4/16/87

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.

Date Surveyed  
March 27, 1987

Registered Professional Engineer and/or Land Surveyor

John D. Jaques, P.E., L.S.

Certificate No. 6290

PERTINENT INFORMATION

For

McKAY OIL CORPORATION  
Westfork Federal #10  
SW/4NE/4 Sec. 6-5S-22E  
Chaves County, N. M.

<u>LOCATED:</u>	33 air miles north of Roswell, New Mexico
<u>LEASE NUMBER:</u>	NM 32312
<u>LEASE ISSUED:</u>	March 1, 1979
<u>RECORD LESSEE:</u>	The Louisiana Land and Exploration Company (formerly Inexco Oil Co.)
<u>BOND COVERAGE:</u>	Lessee's \$25,000.00 Statewide
<u>ACRES IN LEASE:</u>	1,920.0 acres more or less
<u>SURFACE OWNERSHIP:</u>	Federal
<u>OWNER:</u>	USA-BLM
<u>POOL RULES:</u>	General Statewide Rules
<u>EXHIBITS:</u>	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  
Westfork Federal #10  
NE/4SW/4 Sec. 6-5S-22E  
Chaves County, N.M.

NM 32312

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yeso	- 948'
Tubb	- 2466'
Abo	- 3156'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 3156'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

0'- 600'	Lime and gel, spud mud, viscosity 32 to 34 seconds.
600'- 3056'	Fresh water
3056'- TD	Start mudding up at 3056'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

Mud additives will be used to control water loss.
7. AUXILIARY EQUIPMENT: full-opening drill string safety valve fit 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 June 1, 1987  
Drilling should be completed within 60 days.  
Completion operations (perforations and stimulation)  
will follow drilling operations.



MCKAY OIL CORPORATION  
Westfork Federal #10  
NE 1/4 Sec. 6-5S-22E  
Chaves County, N.M.

NM-32312

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 as staked. The well is approximately 31 miles Northeast of Roswell, New Mexico.
- B. Directions: Heading North out of Roswell, New Mexico on U.S. 285 for approximately 30 miles. The turn is  $\pm$  1/2 mile before highway 20 North. Turn left on dirt road (entrance has heavy metal swinging gate). Go approximately 4 miles west, then turn 45 degrees southwest for 5/8 mile to a gate. Continue south for 3/8 mile, turn west for 1/2 mile, pass Westfork #12 location continue southwest for 1/2 mile.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new access road will be 14' wide by approximately 1/2 mile in length.
- B. Surfacing Materials: Caliche will be placed where necessary
- C. Turnouts: one every 1/4 mile.
- D. Maximum Grade: None.
- E. Drainage Design: None necessary.

- F. Culverts: None necessary
  - G. Cuts and Fills: 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 & fill will be required for the 250' x 250' pad.
  - 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. Caliche will be purchased from a Federal pit located in the NW/4SE/4 of sec. 33-4S-22E.
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.

- 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. Location of the trash pit is shown on Exhibit "C".
  - 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 slightly.
  - 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 condition 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.
11. OTHER INFORMATION:
- A. Topography: The topography is sloping to the southeast in the vicinity

of the access road and in the vicinity of the drill pad. Regional slope is Southwest toward the Arroyo del Macho which is approximately 4.5 miles from this 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 or Streams: Arroyo del Macho is about 4.5 miles south of the proposed location.
- E. Residences and other Structures: J.Y. Ranch, Inc. house is approximately 2 miles west of this location.
- F. Archaeological, Historical and Other Cultural Sites: No artifacts are noted in the area of the pad or access road. An Archaeologist from Portales, NM Checked the location and has given a favorable recommendation.
- 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 exist; 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 sub-contractors 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.

4-12-87

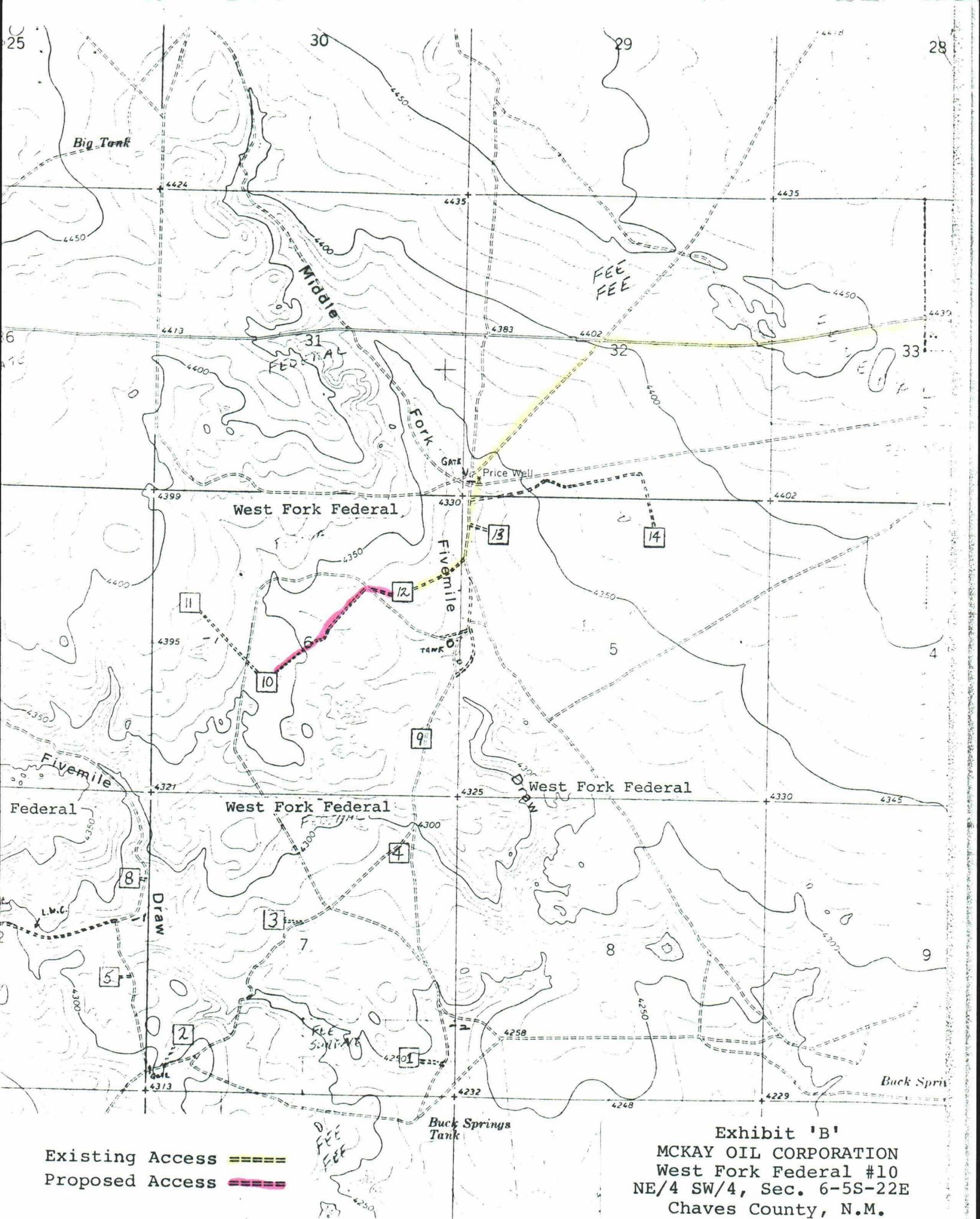
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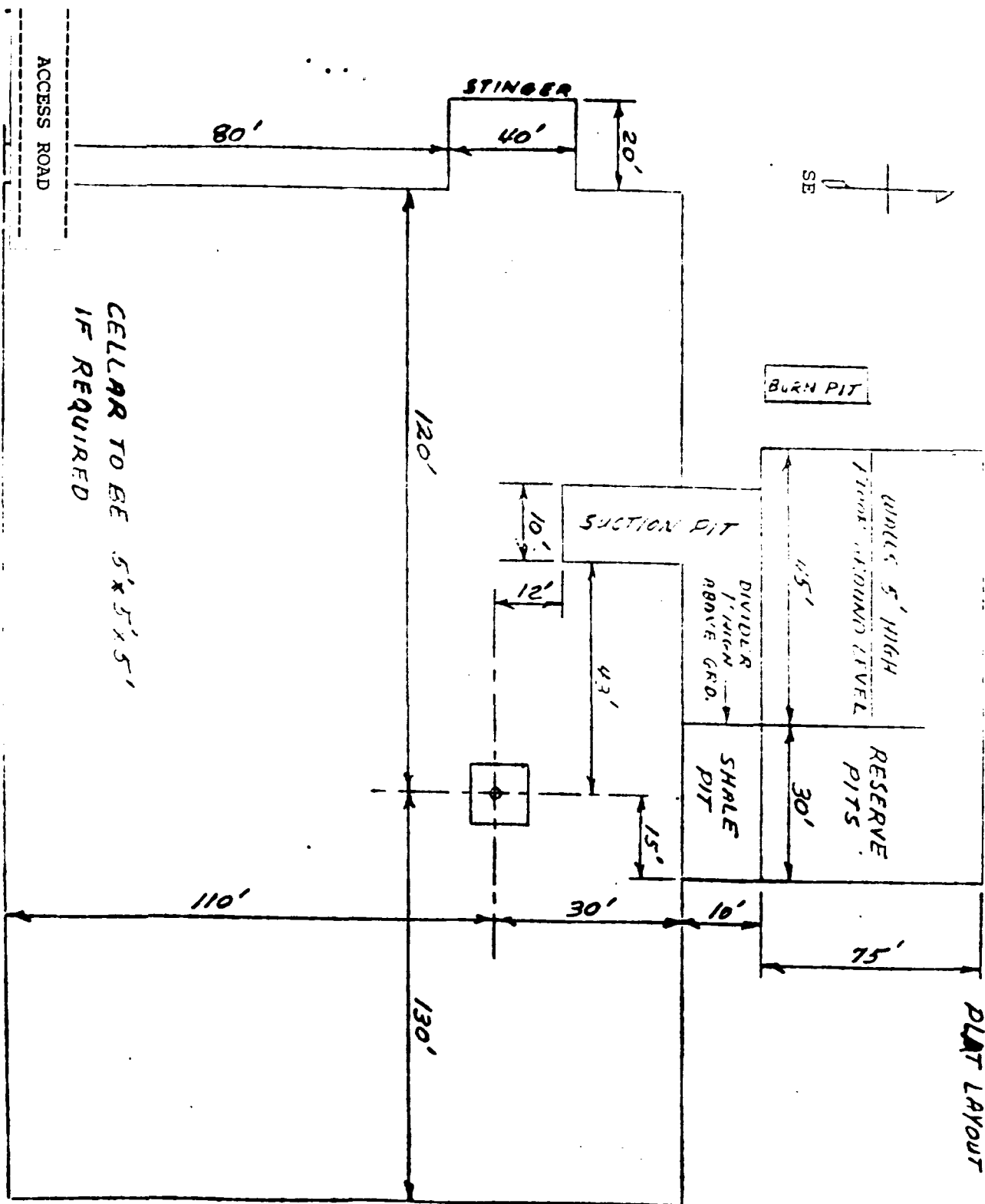
Terry W. Franklin

Terry W. Franklin, Agent









CELLAR TO BE 5'x5'x5'  
IF REQUIRED

PLAT LAYOUT

EXHIBIT 'C'

MCKAY OIL CORPORATION  
West Fork Federal #10  
NE/4 SW/4, Sec. 6-5S-22E  
Chaves County, N.M.



NE/4 SW/4, Sec. 6-5S-22E

Chaves County, N.M.



FLOW LINE

BLIND RAMS

## PIPE RAMS

## DRILLING

KILL LINE

BLIND FLANGE

## CASING HANGER

ADJUSTABLE  
CHOKE

2.

TO KUD PIT

2

2"

2" 2"

TO RESERVE

7-2-

TO MUD PIT

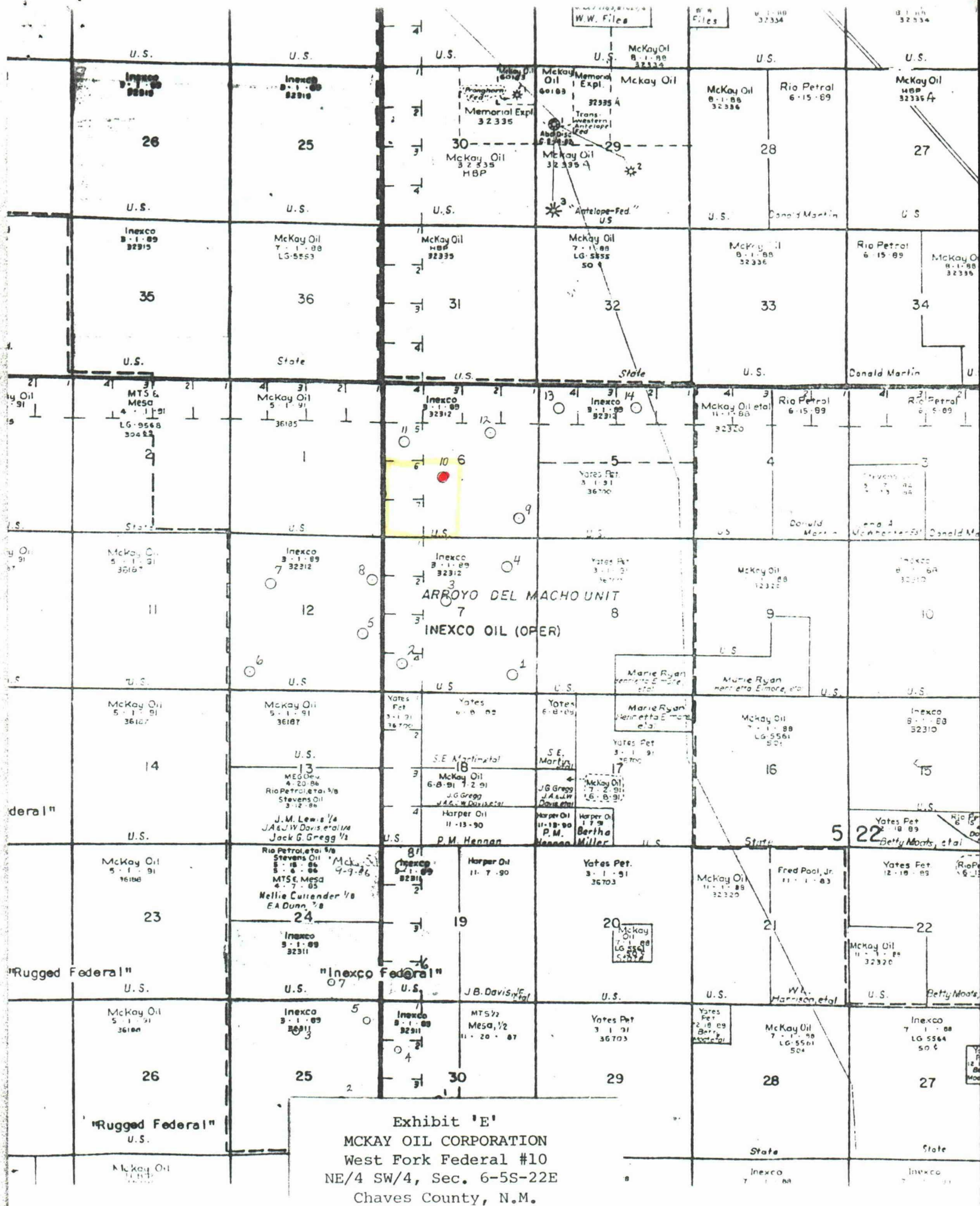
3"

ADJUSTABLE  
CHOKE

TO RESERVE PIT

**3000# Working Pressure  
Rams Operated Daily**

EXHIBIT D



**CONSULTING ENGINEER**  
Suite 327 J.P. White Building  
ROSWELL, NEW MEXICO 88201  
(505) 622-8866

SHEET NO \_\_\_\_\_ OF \_\_\_\_\_

CALCULATED BY \_\_\_\_\_ DATE \_\_\_\_\_

CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_

SCALE \_\_\_\_\_

WEST FORK FED. #10  
1980 FSL 1980 FWL  
SEC. 6-5-22

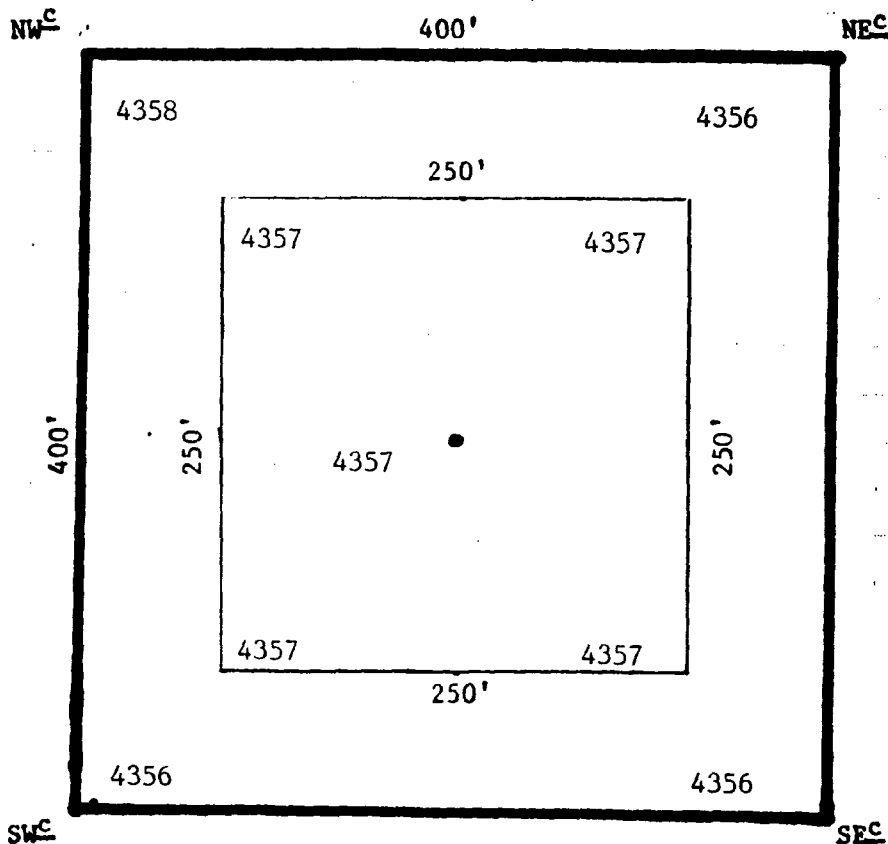


EXHIBIT 'F'