

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. DIV-Dist. 2
1001 W. Grand Avenue
Altesia, NM 88210

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> 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	5. Lease Serial No. NM-22060	6. If Indian, Allottee or Tribe Name	7. If Unit or CA/Agreement, Name and/or No.	8. Well Name and No. SHERRI FEDERAL #1	9. API Well No. 30-005-61278	10. Field and Pool, or Exploratory Area WEST PECOS ABO SLOPE	11. County or Parish, State CHAVES COUNTY, NM
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12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA

TYPE OF SUBMISSION	OCD-ARTESIA			
<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 checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Request to extend P&A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 respectfully requests extension of P&A, procedures to commence October 15, 2007.

- Set CIBP @ 2380'. CAP W/ 35 FEET OF CEMENT. PERF @ 900' AND SQUEEZE 100' PLUG. TAG.
- Set 52 sks Cement - Cement Plug 2380' - 2345' (30+Feet). WOC. Top of Cement - 2070' Shoe plug @ 852' & tag. Shoe plug @ 95' & tag. Surface plug set @ 50'. Displace Casing with Mud or Brine Gel between Cement Plugs PERF @ 145' AND SQUEEZE CMT. PLUG. COMBINE SHOE PLUG & SURFACE PLUG.
- Install Dry Hole Marker, Clean Location, Level Pits, Rat Hole and Cellar. Set 4" Steel Marker, Clear Location cleared of all Debris and Equipment.
- Notify BLM and NMOCD of Plugging Operations.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) CAROL SHANKS	Title PRODUCTION ANALYST
Signature Carol Shanks	Date 03/20/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /S/ ALEXIS C. SWOBODA	Title PETROLEUM ENGINEER	Date SEP 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, 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)