

Carol

30-005-64041

From: Carol [carol@mckayoil.com]
Sent: Tuesday, September 16, 2008 12:18 PM
To: Angel_Mayes; Mike EMNRD Bratcher; Brian_Novosak
Subject: Lookout C Federal #8

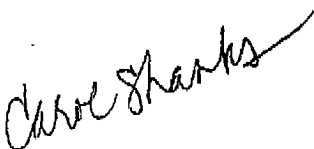
The 'Change of Plan Sundry' I submitted requesting pit modifications last week has been approved. However, along with Sundry, I submitted an attachment: *schematic of the well site layout, showing location and orientation of drilling equipment as would be set up on location, that Jim Schultz supplied with the original APD.

I only made changes on this *schematic-map to allow for new pit placement and extension of pit and trench burial site, according to specifications given me by dirt contractor and submitted with Sundry. After making a field trip on 9/15/08, to verify the accuracy of pit location and drilling equipment orientation, I discovered the *schematic is not accurate. I apologize for not verifying exact dimensions before submitting change of plan sundry!

I am faxing to each of you a revised map as an amended attachment. Please call or notify me by email if you have questions or concerns.

Thank you,
Carol

(575) 623-4735



9/16/2008

Form 3160-5
(November 1994)

OPERATOR'S COPY

A

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS 13 2008

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Form 3160-5
Expires July 31, 1996

5. Lease Serial No.
NM-36192
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No
8. Well Name and No.
LOOKOUT C FED #8
9. API Well No.
30-005-64041
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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name Of Operator

MCKAY OIL CORPORATION

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-2014

3b. Phone No. (include area code)
505-623-4735

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

990' FEL, & 2310' FNL, UNIT H, SEC 9, T6S, R22E

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☐ Other
☒ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
☐ Convert to Injection ☐ Plug Back ☐ 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 recomplete 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 recompletion 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.)

Operator desires to amend the APD to provide for the following variances:

- 1) Modify reserve pit dimensions from 60' X 60' X 8' to 60' X 80' X 4'-6". Hard rock was hit during excavation of pit. Operator wishes to extend the pit 20' east.
- 2) On 9/11/08, excavation on the pit commenced when hard rock was encountered at a depth between 4' and 6' on east side of location. Operator desires to amend the APD to provide for the following variances: Modify reserve pit dimensions from 60' X 80' X 8' to 60' X 80' X 4'-6".

WHEN OPERATIONS ARE BEING CONDUCTED ON THIS WELL THE OPERATOR SHALL HAVE THE APD, CONDITIONS OF APPROVAL AND APPROVED SUNDRY NOTICE ON THE WELL SITE. THEY SHALL BE MADE AVAILABLE UPON REQUEST BY THE AUTHORIZED OFFICER.

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

Name (Printed/Typed)

CAROL SHANKS

Title

PRODUCTION ANALYST

Signature

Carol Shanks

Date

9/11/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Brian Ables

Title

NCS - BLM

Date

9-12-08

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 enable the applicant to conduct operations thereon.

Office

ROSWELL FIELD 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.

McKay Oil Corporation

Roy L. McKay, President

Mailing Address: P.O. Box 2014 * Roswell, NM 88202 * Telephone 575 / 623 - 4735
Street Address: One McKay Place * Roswell, NM 88201 * Fax No. 575 / 624 - 2202

OIL
&
GAS

September 11, 2008

Oil Conservation Division
Mr. Mike Bratcher
Artesia Field Office
1301 W. Grand Avenue
Artesia, NM 88210

RE: Lookout C Federal #8
API: 30-005-64041
SEC9, T6S, R22E
LEASE: NM-36192

A reserve pit was approved for 50' X 60' X 8' dimensions. A sundry notice of Intent was submitted to BLM on 9/5/08 to amend with the following variance: extend pit to 60' X 60' X 8'.

On Thursday, September 11, 2008, excavation commenced for the pit when hard rock was encountered at a depth between 4' and 6' on east side. Operator desires to amend the APD to provide for the following variances: Modify reserve pit dimensions from 60' X 60' X 8' to 60' X 80' X 4'-6'.

Please contact this office should you have questions or require further documentation.

Sincerely,

Carol Shanks

Carol Shanks
Production Analyst
(575) 623-4736

cc: BLM/Roswell Field Office
Attachment

*Verbal
Approval
received
from
Mike Bratcher
w/ocd - 9/11/08
cs*

MCKAY OIL CORPORATION - LOOKOUT C FED #8
990' FEL & 2310' FNL, SE¼NE¼, Unit H, SEC9, T6S, R22E
API: 30-005-64041

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202

PIT DESIGN AND CONSTRUCTION SPECIFICATIONS (19.15.17.11)
***Pit Amendment (9/11/08)**

General Specifications

1. Any topsoil, which can sustain plant vegetation, will be bladed and piled for future rehabilitation.
2. The location slopes very slightly from the west to the east. Due to hard rock, pit will be dug to 6' depth on northeast corner and taper to 4' depth on the northwest corner.
3. The 60' X 80' pit shall be constructed and maintained so that runoff water from outside the location is not allowed to enter the pit. The berms surrounding the entire perimeter of the pit shall extend a minimum of two (2) feet above ground level. At no time will standing fluids in the pit be allowed to rise above ground level.
4. Pit will be properly constructed on firm unyielding base, free of large rocks, debris and sharp edges to support all liquids and prevent tears.
5. A 20 MIL, low linear density polyethylene (LLDPE), string-reinforced liner, with factory-welded seams will be placed on excavated ground bed by qualified a qualified backhoe service. Liner will be large enough to reduce stress-strain on the liner.
6. Anchor trench will be 18" deep and all edges anchored securely.
7. A four foot high, four-stranded barbed wire fence, evenly spaced between 4', will be erected around 3 sides on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.
8. A well sign has been placed at entrance of facility, thus Operator is exempt from placing an additional sign on location, per Rule 103, 19.15.3.103, NMAC.

