

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 WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	RECEIVED BY NOV 11 1985 O. C. D. 8202 ARTESIA, OFFICE
2. NAME OF OPERATOR McKay Oil Corporation	
3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 660' FSL & 1980' FWL	

5. LEASE DESIGNATION AND SERIAL NO. NM-19829
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME McKay-Harvey Federal
9. WELL NO. #3
10. FIELD AND POOL, OR WILDCAT Wildcat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 17-9S-25E
12. COUNTY OR PARISH Chaves
13. STATE NM

14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3548' GR
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16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Off Lease Measurement</u> <input checked="" type="checkbox"/>	

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

17. DESCRIBE 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 zones pertinent to this work.)*

The McKay-Harvey Federal 1,2,3, & 4 wells will be produced thru a main pipeline gathering system owned and operated by McKay Oil Corporation. This pipeline is connected to Transwestern Pipeline Company's system and a master meter just north of the Bitter Lakes Compressor Station in NW/4NW/4 of Section 10-9S-25E. (See attached Map) The master meter will be the measurement used for payment of gas on all of these wells from Transwestern Pipeline Company. However, a separate meter is installed on this well location for the purpose of individual measurement for the payment of royalties, taxes, etc.

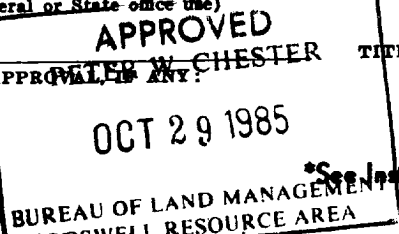


18. I hereby certify that the foregoing is true and correct

SIGNED James L. Schultze TITLE Landman DATE 10-14-85

(This space for Federal or State office use)

APPROVED BY PETER W. CHESTER TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:



*See Instructions on Reverse Side