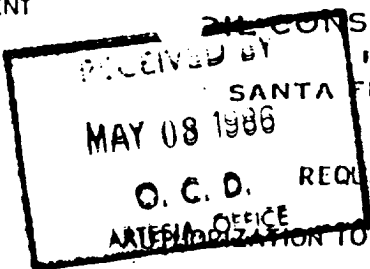


OIL CONSERVATION DIVISION



P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

*Confidential*

DATE OF FILING	
DISTRIBUTION	
STATE	
FED.	
U.S.	
OFFICE	
TRANSPORTER	
PRODUCER	
OPERATION OFFICE	
REGULATOR	

McKay Oil Corporation ✓

P. O. Box 2014, Roswell, NM 88201

Reason(s) for filing (Check proper box)	Other (Please explain)
New Well <input checked="" type="checkbox"/>	
Recompletion <input type="checkbox"/>	
Change in Ownership <input type="checkbox"/>	
Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	

Change of ownership give name  
Address of previous owner

DESCRIPTION OF WELL AND LEASE

Well Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
China Federal Draw	2	West Pecos Slope Abo	State, Federal or Fee	Fed. NM-32325B
Location	Unit Letter	Feet From The	Line and	Feet From The
	E	960	West	1650
			Line and	North
Line of Section	31	Township	6-South	Range
			23-East	NMPM,
			Chaves	County

SIGNATURE OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
New Mexico Gas Marketing, Inc.	P. O. Box 2014, Roswell, NM 88201
Well produces oil or liquids, or location of tanks.	Is gas actually connected? When
Unit E Sec. 31 Twp. 6S Rge. 23E	no ASAP 5-5-86

This production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		X	X					
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
11/25/85	1/13/86	3384'	3277'					
Locations (DF, RKB, RT, CR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
4100' GL	Abo	2819'	2800'					
Locations			Depth Casing Shoe					
2819' - 21' and 2945' - 53'								

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12 1/4"	8 5/8"	887'	150 sx + 150 sx
7 7/8"	4 1/2"	3309	300 sx
		cmt. top of 4 1/2"	300 sx, circ
			25 sx.

TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
5475	4 hrs		
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size
4 pt. back pressure	915	915	64/64

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

*Sharon R. Hamilton*  
(Signature)  
Agent  
(Title)  
4-24-86  
(Date)

OIL CONSERVATION DIVISION

APPROVED **MAY 29 1986**, 19  
Original Signed By  
BY Les A. Clements  
TITLE Supervisor District II

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.  
All sections of this form must be filled out completely for allowable on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.  
Separate Forms C-104 must be filed for each pool in multiply completed wells.