

NM OIL CONS. CO. UNITED STATES
Drawer DEPARTMENT OF THE INTERIOR
Artesia, NM 88210 GEOLOGICAL SURVEY

30-005-62302

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|--|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-36193 | |
| b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| 2. NAME OF OPERATOR McKay Oil Corporation | | 7. UNIT AGREEMENT NAME | |
| 3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico | | 8. FARM OR LEASE NAME Four Mile Draw Federal | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FEL & 660' FSL At proposed prod. zone same | | 9. WELL NO. #2 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 24 miles nrht of Roswell, New Mexico | | 10. FIELD AND FORM, OR WILDCAT Wildcat | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 15-6S-22E | |
| 16. NO. OF ACRES IN LEASE 2,207.51 | | 12. COUNTY OR PARISH Chaves | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 160 | | 13. STATE NM | |
| 18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1/2 mile | | 19. PROPOSED DEPTH 3400' | |
| 20. ROTARY OR CABLE TOOLS Rotary | | 21. APPROX. DATE WORK WILL START* ASAP | |

23. 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 stimulate as needed for production.

MUD PROGRAM: See Supplemental Drilling Data which is attached.

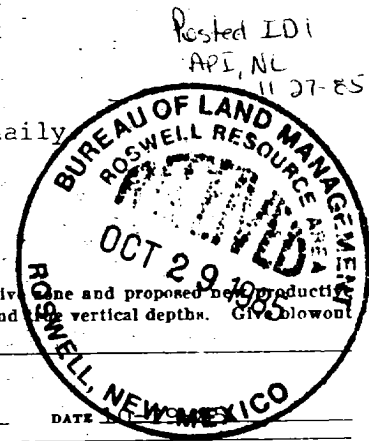
BOP PROGRAM: BOP will be installed on 8 5/8" casing and tested daily

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 James L. Shultz TITLE Landman DATE NOV 27 1965
(This space for Federal or State office use)

PERMIT NO. S/Phil Kirk APPROVAL DATE NOV 1965
APPROVED BY Area Manager TITLE Area Manager DATE NOV 1965
CONDITIONS OF APPROVAL, IF ANY:



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

| | | | | |
|--|----------------------------|---------------------------------|--------------------------------|------------------|
| Operator McKay Oil Corp. | | Lease Four Mile Draw Federal | | Well No. #2 |
| Unit Letter P | Section 15 | Township 6 South | Range 22 East | County Chaves |
| Actual Wellbore Location of Well 660 feet from the South line and 660 feet from the East line | | | | |
| Ground Level Elev. 4259' | Producing Formation Abo | Pool undesignated | Dedicated Acreage 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

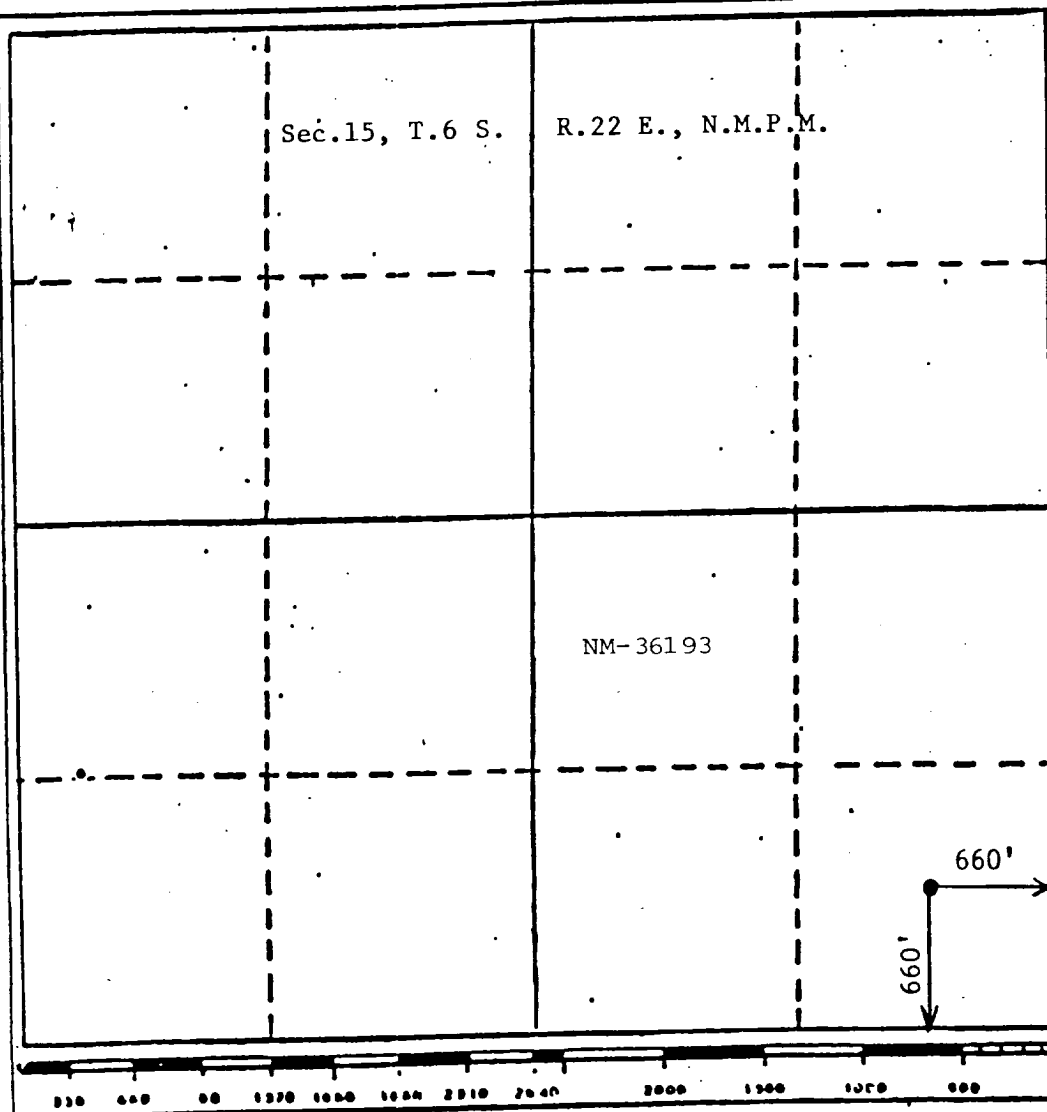
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

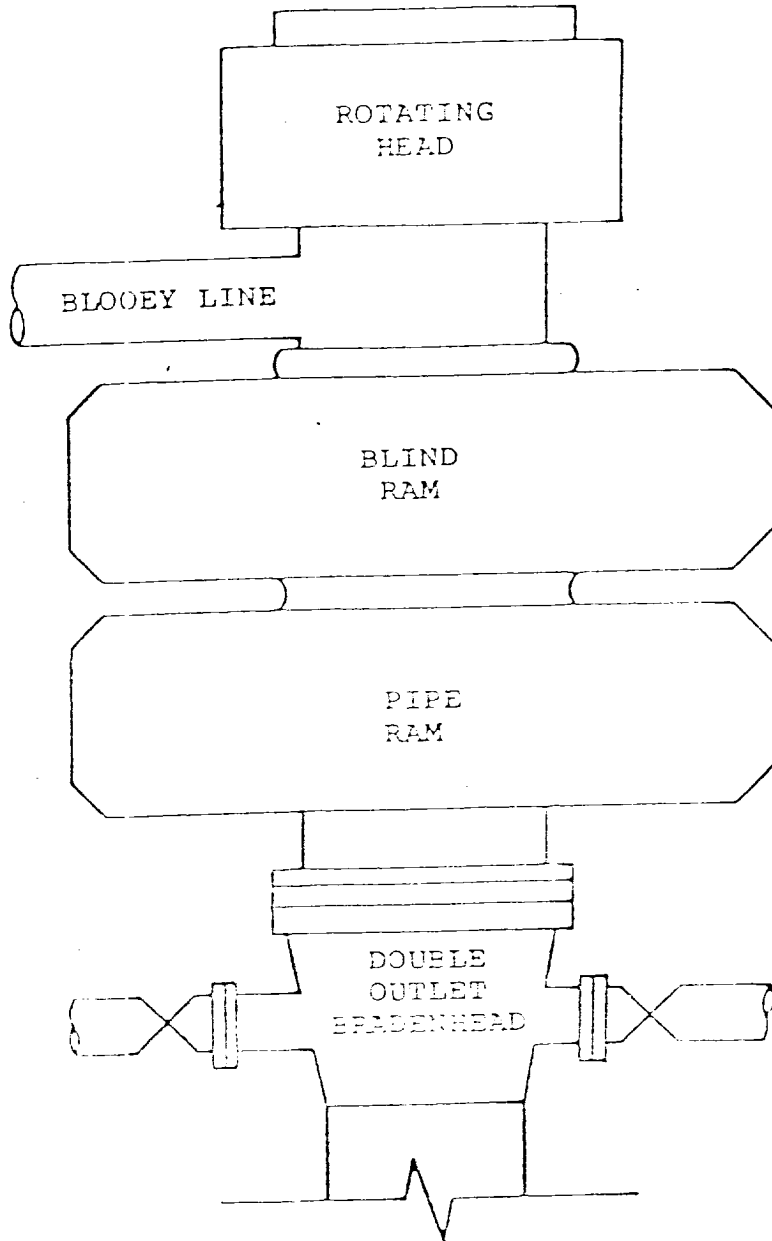
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
James L. SchultzPosition
LandmanCompany
McKay Oil CorporationDate
10-29-85

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
October 25, 1985Registered Professional Engineer
and/or Land SurveyorProfessional Engineer
John A. Bradshaw, P.E. & L.Certificate No.
6290

MCKAY OIL CORPORATION
Four Mile Draw Federal #2
SE1/4SE1/4 Sec. 15-6S-22E
Chaves County, New Mexico



BOP STACK

3000 PSI WORKING PRESSURE

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
Four Mile Draw Federal #2
SE1/4SE1/4 Sec.15-6S-22E
Chaves County, N.M.

NM 36193

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:

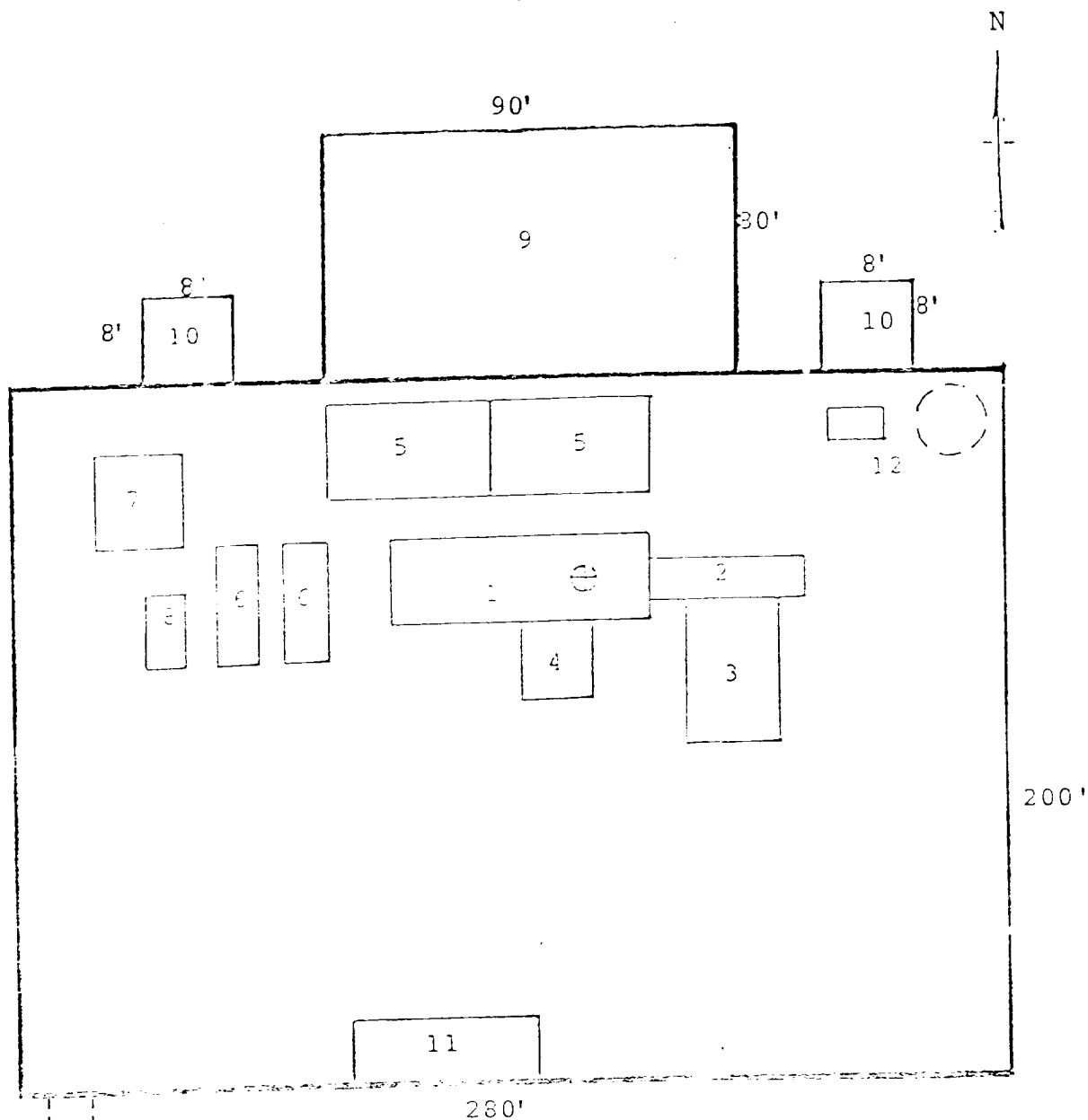
| | |
|------|---------|
| Yeso | - 810' |
| Tubb | - 2340' |
| Abo | - 3020' |
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

| | |
|-------------|------------------------------------|
| Fresh water | - In surface formations above 759' |
| Gas | - In Abo formation below 3020' |
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowcut preventer rated to 3000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

| | |
|-------------|---|
| 0'- 810' | Lime and gel, spud mud, viscosity 32 to 34 seconds. |
| 810'- 2959' | Fresh water |
| 2959'- TD | Start mudding up at 3300'; 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 kelly cock, to fit the drill string in use, will be kept on the rig floor at all times.

MCKAY OIL CORPORATION
 Four Mile Draw Federal #2
 SE1/4SE1/4 Sec. 15-6S-22E
 Chaves County, New Mexico



RIG LAYOUT

Access Road

- | | |
|-----------------|---------------------------|
| 1. Substructure | 7. Water Tank |
| 2. Catwalk | 8. Light Plant |
| 3. Pipe Rack | 9. Reserve Pit |
| 4. Doghouse | 10. Trash Pit |
| 5. Mud Pits | 11. Trailer House |
| 6. Mud Pumps | 12. Production Facilities |