

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005 62307

5. LEASE DESIGNATION AND SERIAL NO.

NM-32325-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

China Draw Fed.

9. WELL NO.

10. FIELD AND POOL OR WILDCAT

11. SEC., T., E., M., OR BLK.
AND SURVEY OR AREA

31-6S-23E

12. COUNTY OR PARISH

Chaves

13. STATE

NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKay Oil Corporation

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 88203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 2310' FEL & 2310' FSL

At proposed prod. zone same

5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx. 20 miles north of Roswell, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

2310'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2010'

16. NO. OF ACRES IN LEASE

895.79

19. PROPOSED DEPTH

3400'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3997' GR

22. APPROX. DATE WORK WILL START*

11-27-85

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	1000'	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" 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 prevention program, if any.

24.

SIGNED

TITLE

Landman

DATE

11-26-85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Homer Meyer, Acting

TITLE

Area Manager

DATE

27 NOV 1985

CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of Section.

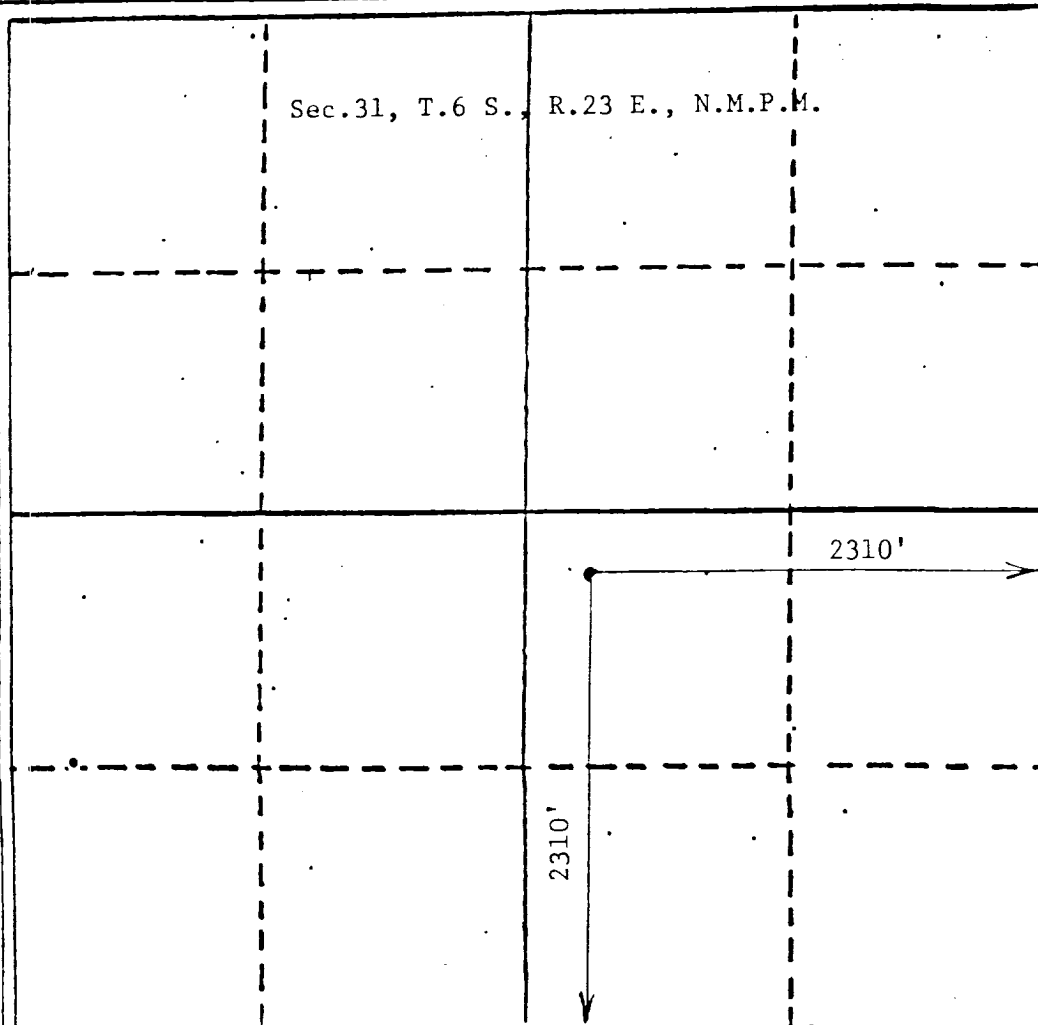
Operator McKay Oil Corp.			Lease China Draw Federal		Well No. #3
Unit Letter J	Section 31	Township 6 South	Range 23 East	County Chaves	
Actual Footage Location of Well 2310 feet from the South line and 2310 feet from the East line					
Ground Level Elev. 3997	Producing Formation ABO		Pool West Pecos Slope		Dedicated Acreage .160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

James L. Schultz
Name James L. Schultz

Position
Landman

Company
McKay Oil Corporation

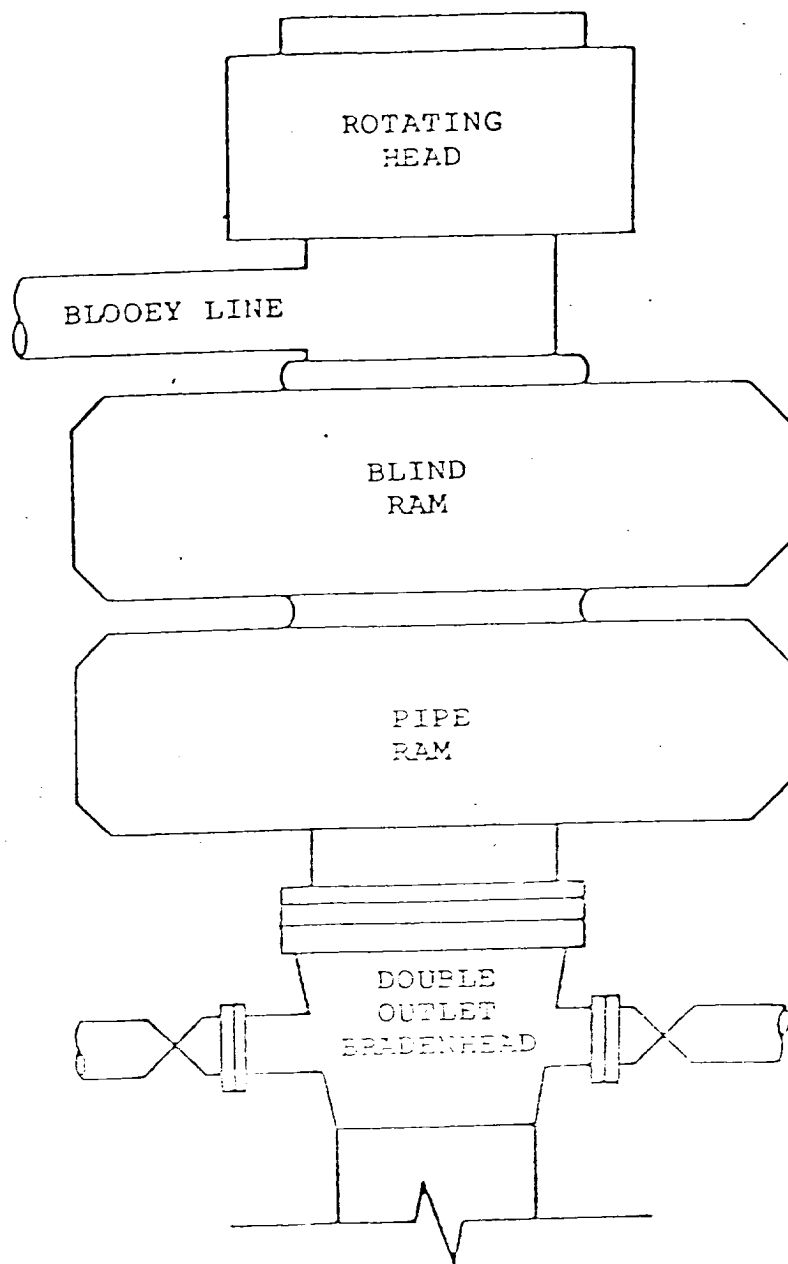
Date
11-22-85

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
November 11, 1985
Registered Professional Engineer
and/or Land Surveyor
John D. Jaques
John D. Jaques, P.E. & L.S.
Certificate No. 6280 PROFESSIONAL ENGINEER

310 640 970 1300 1630 1960 2290 2620 2950 3280 3610 3940

MCKAY OIL CORPORATION
China Draw Federal #3
NW/4SE/4 Sec. 31-6S-23E
Chaves County, New Mexico



BOP STACK

3000 PSI WORKING PRESSURE

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
China Draw Federal #3
NW1/4SE1/4 Sec.31-6S-23E
Chaves County, N.M.

NM 32325-B

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:

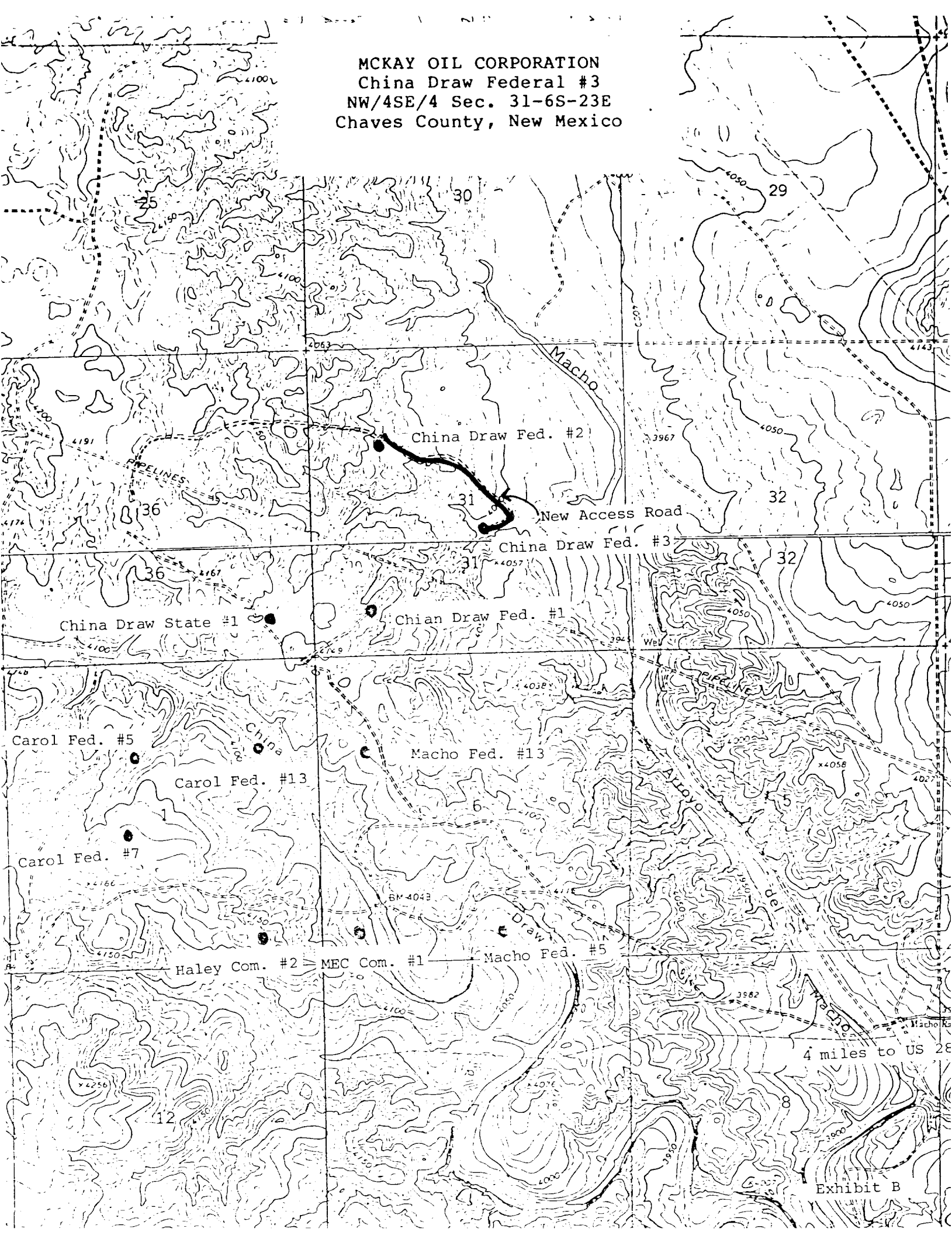
Yeso	- 648'
Tubb	- 2178'
Abo	- 2858'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 2958'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

0'- 600'	Lime and gel, spud mud, viscosity 32 to 34 seconds.
600'- 2800'	Fresh water
2800'- 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
China Draw Federal #3
NW/4SE/4 Sec. 31-6S-23E
Chaves County, New Mexico



The site plan shows a rectangular development area with the following features:

- Dimensions:** The overall site dimensions are 280' by 140'.
- Building Footprints:**
 - Building 1:** A large central building with a cross symbol inside.
 - Building 2:** A rectangular building to the right of Building 1.
 - Building 3:** A rectangular building below Building 2.
 - Building 4:** A small rectangular building below Building 1.
 - Building 5:** Two rectangular buildings side-by-side above Building 1.
 - Building 6:** Three narrow rectangular buildings to the left of Building 1.
 - Building 7:** A rectangular building to the left of Building 6.
 - Building 8:** A rectangular building at the top center, with a width of 90'.
 - Building 9:** A rectangular building at the top left, with a width of 8' and a height of 30'.
 - Building 10:** A rectangular building at the top right, with a width of 8' and a height of 30'.
 - Building 11:** A rectangular building at the bottom left.
 - Building 12:** A small rectangular building to the right of Building 1, next to a circular feature.
- Parking Spaces:** Indicated by dashed lines, primarily located to the left of Building 1 and around Building 12.
- Access Road:** A road running horizontally along the right side of the site.
- North Arrow:** Located at the top right of the plan, pointing upwards.

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