RECEIVED BY JAN 16 1987 O. C. D. ARTESIA, OFFICE

1. 46.10

1/

 \mathcal{V}

For Section 103(c), New Onshore Production Well

and the second sec

ľ

Mark below to indicate the materials reviewed and relevant to the request. Attach accordingly. Every blank should be checked to indicate that support data is attached or marked N/A indicate not applicable.

In conformance with Office of Management and Budget guidelines, data of a specific nature such as a Bureau of Land Management form, a directional drilling survey, etc., which has already been submitted to the Authorized Officer for another purpose, shall not be submitted again as a requirement but may be submitted voluntarily. If such data is not submitted, the applicant shall so indicate below that the data is on file with the Authorized Officer.

- Revised Form FERC 121, "Application for Determination of the Maximum Lawful Price Under the Natural Gas Policy Act."
- Statements under oath as required by 18 CFR 274.204,
 as amended, for each application.
- 3. A statement that completed copies of revised Form FERC 121 have been forwarded to the purchaser(s) and to the colessee(s) and/or the working-interest owners.
- Form 9-330* "Well Completion or Recompletion Report and Log."

- 5. A plat locating and identifying the well of interest and the outline of the proration unit. Also, identification and explanation of any other wells within the proration unit.
- 6. A copy of the State Spacing Order or, as applicable, the appropriate reference to a State regulation and/or a Federal units agreement.

 \checkmark

7. For a new well which was spudded on or after February 19, 1977, and drilled as an additional well into an existing protation unit, a copy of the record developed prior to the commencement of drilling (as reasonably possible to do so), with geological and engineering support data included, sufficient to support a finding that the new well is necessary or a copy of the State Spacing Order allowing the exception well within the spaced area. Also, support data acquired after commencement of drilling, as appropriate.

8. Other:

PWill be renumbered within BLM 3162 series following conversion of operating regulations from Title 30 to Title 43 of the CFR.

Mc Kay Oil Corporation____

ROY L MCKAY PRESIDENT HOME OFFICE, P.O. BOX 2014 ROSWELL N.M. 88202 • TELEPHONE 505/623-4735



January 14, 1987

Roswell Daily Record 2301 North Main Street Roswell, New Mexico 88201

Attention: Legal Advertising

Gentlemen:

McKay Oil Corporation desires to place a public notice in your newspaper for one day. The notice is attached.

Please place this notice in your paper on January 28th and forward a copy of it along with your billing to:

McKay Oil Corporation P.O. Box 2014 Roswell, New Mexico 88201

Your assistance in this matter is appreciated.

Yours very truly,

MCKAY OIL CORPORATION

Relton

Assistant to the President

.

Attachment

.

$\underline{N} \quad \underline{O} \quad \underline{T} \quad \underline{I} \quad \underline{C} \quad \underline{E}$

McKAY OIL CORPORATION hereby gives notice that it has filed with the United States Department of the Interior, Bureau of Land Management, Assistant District Manager for Minerals, in Roswell, New Mexico, for a category determination under Section 103(c) and Section 107(c) of the Natural Gas Policy Act of 1978 on the following property.

Well:	South Four Mile Draw Fed. #2
Location:	Section 24, T6S-R22E
County:	Chaves County, New Mexico

Written comments will be accepted by the Authorized Officer commencing with the publication date and continuing for at least 21 days following the placement of a preliminary category determination in the State BLM or Regional MMS Public Records Office.

APPLICATION PURSUANT TO SECTION 103(c) of THE NATURAL GAS POLICY ACT (NGPA) OF 1978

AFFIDAVIT

STATE OF NEW MEXICO

and a second second

an an ghreis an ghreis

COUNTY OF CHAVES

BEFORE ME, the undersigned authority, duly commissioned and qualified within and for the State and County aforesaid, presonally came and appeared Cindy L. Kelton, who, being by me first duly sworn, deposed and said:

That she is the Assistant to the President of McKay Oil Corporation, the applicant for the well as described heretofore in this application, and in that capacity, she is requesting the appropriate Authorized Officer to determine the eligibility of said well for wellhead pricing purposes pursuant to the rules and regulations of the Bureau of Land Management and the Federal Energy Regulatory Commission (FERC) and to the NGPA.

That to the best of her information and knowledge the surface drilling of the well for which she seeks a determination was begun after February 18, 1977, and that the well satisfies any applicable Federal or State well-spacing requirements.

She further states that application is made pursuant to 18 CFR 274.204(d) and that the well is not within a State law proration unit: (1) which was in existence at the time the surface drilling to the well began; (2) which as applicable to the reservoir from which natural gas is produced; and (3) which applied to any other well which either produced natural gas in commercial quantities or the surface drilling of which began before February 18, 1977, and was thereafter capable of producing natural gas in commercial quantities.

That she has concluded that to the best of her information and knowledge, the natural gas for which she seeks a determination is produced from a new onshore production well, and that he has no knowledge of any other information not described in the application which is inconsistant with this conclusion.

She further states that she has mailed, or caused to be mailed, postage prepaid, a copy of the completed revised Form FERC 121, "Application for Determination of the Maximum Lawful Price Under the Natural Gas Policy Act," to the purchaser(s) and the colessee(s) and/or working interest owners, which are listed separately.

To the best of her knowledge and belief, all information contained in this application for category determination, pursuant to the NGPA, is true and correct including all documents, testimony, and evidence submitted with the application.

Cindy L. Kertan Assistant to the President Signed (

MCKAY OIL CORPORATION

Subscribed in my presence and duly sworn to before me, this <u>14th</u> day of <u>January</u>, 1987.

Ċ	her then	still,	
Notary	Public	x	

My Commission Expires: 2-6-89

	 	41.00	,	South Country South	Haylan Herry Hale U.S. Anty-	
	<u></u>			utriges us		Retry Adonte, rigi
	Trons Cosetor G. 6192	Trons ücs, eta) 5, 1, 91 36182	loesco 6 · I · 08 32300	Trom-restern 6.05 etal (McKay 0.1) t1 + 88 - 32322 - 127 - 2	Tonswestern Gas Supply (McKay Dill ITIZZ	Votes PM (Fred Pool, Jr V2 10 17 99 Rio Petrolandi 9:35 Pist 9 66 3 99 66
	د ⁰				8	Betty Moots, etal 9 Mc Wharter, Est Berry
	NIDLAHO ONER CO	MTS E. Mesd	12 MTS E. Mesce 2 - 4 - 85	- テ1 /	-≉¦,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	27 6 MA 1029 27 6 Magaz 8 6 5 5 9 N.C.S
	MIDLANC			- 7	1,000	
	US	US. Tule Brown "24" US. A & S-own McKay(a)	Tulo Brown 5M A 2 3-947 US Mc Kay Gil	Miller-Fed	"Middle Fork-Fed." US. US.	Actory Oil 37327 Fire Air Tank - Fed Mc Cletton Oil Transwestern Tre
	(Mckay 0:1) Transwesth Gas,etal 36193 GSRMLF:	Transwessern Gus, etal HBP 36 198	Tronswestern Gas, etal 5 k - Bl 36182	McKay Oil, etal HOP 32323	Mitchell Ener. etal 6 15-83	6 1 . 09 1600 C(MC May Oil) 40 . 6671
	G ¹	14	13	– ₇ 1 ¹⁹	# R McKnight	ا ـــــا ا6
-	15 Abe Disc Cy 3 ez			91 .	McKay Oil Transwestern Gas,etal 11-1-88 Transweste 37923 Gas Synety	\$*'3≥5 ∦Ki⊊
		"Four Mile		- a1	32923 Gos Supply	* muf. st 6 23
	2 "Fourmike Drow-Fed." 2	Draw.		U.S.	U S.	Cut Out Manager Oil
	1 Mc Kay Oil ranswestern Gas, etal O 5-1-91 36:94	Mc Kay Oil Transwestern Gøs, etal 5 · I · 91 36 i 34	McKay Oil Michay Transwegth 603,441 Trans 5 - (- 9) Host 36194 6 - 9 36195	Markabeli Energeto Ten Mark Drig 12 Ten Ten Mark Drig 12 Ten Ten Mark Drig 12 Ten Ten Ten Ten Ten Ten Ten Ten Ten Ten	Stevens Oil Mitchell Ener MEM-Fee	Trea rask Alternation real Tri- Alternation real Tri- No format raises so Michael Ener 8-20-66
	le Draw ^a Meso 22 10 26 98	Mesa MTS H		Royale Fee #1	20	21 Anna R Friday Stevens Oper
	22 11-76-91	1.1.3.72 1.1.26 θ2 23	"So. Four 1 m	R oya le Fed Com#1	····****	TE 36 Mil (Tex. Mex.Drig th)
	Ruby	Puby	Mile Draw" 0	A MCKayCil	Stevens Oper MEM-Fed.	1 1 1
	US Prida		US 0	Transactern Gas, etal Hill 88 U.S. 32351 Knight	U.S.	US W.R. Meknight
	Meso Renor Lessier Pour	Puoy 71 McKoyOil Nermon I Transwestern Gas, etal	Mc Kay Qil Transmistern Gas, etal 3. *=	1	Mitchell Stevens Oper. Ener, Hall	Tronswest'n Gos Supply (McKoy Diletal) 11 - 1 - 88 22952
	KoyCil	AckayGil Struens Cil Trars- MitchLindrate	"Remmele" 2563	1.405 MILL	Tex Mex Drig V2 6-15 83	82952 Ø ⁴
		Trars. Minchel Erer eta: west'n kiefel a roi 31255 Gas, eta 3.22. 86	·····································	Switchell MitchellEngr.en Therety Tex. Mex. Dry. Ve Stex. Mex. 6-15-63	☆' 29	28
		36135			WR MC-	
			Transmesternest rol 2	Fed. Comm"	Knight	
	4. US 1. 271	ys. Commentation US.	Lienst 50.5.	Je Hie us. 4 knight W.P. McKnight	"Melvin-Fed." US.	"McknigH+Fed." US
	We to held Erier "ine Fred Foot dr stol Tes Mes (rig	Steller Coll Tarter	(MEG Pet) Sun	SHISH Com		Tronswestern Gos (McKey Oil) LG-5573
	Free Focur ator Tes Mass (rig. 	Fred Foo Jr etol Mitchell Ener etol Via	4-1 21 15 9575 425 29		346/10	
		Try Mis (r)(g r2 6 10 63	36		· · · · · · · · · · · · · · · · · · ·	33
	McKuy Gil Tronswestich Gasietal	Mc May Cil Glocy 5	2.435/14	"China"Dra	1.10	
	5-i 9i j€i5€	3 010 Wester 100 40 00 00 20 400 00 20 400 00 20 400 00 20 20 20 20 20 20 20 20 20 20 20 2	Mennight	Federal"	1	Macho-St.
	ப 11.		iCrino Drowist* State	5.947 M U.S.	"Mocho-St" Stote	
	2 3 2	4 3 2 1 Exam	MISE Pet Pred Middle Ineel, Jr. Ener et Seese	The Mext Meso Pet Pro Val (MATS Val)	1 4 3 2 Mess Pet 3 ∩(MTS 1/2) 0 ²	Yesten Pet etai
	Yates Pet		<mark>┢╸┈┈</mark> ╷╸┶╴╶╆╴╺		\downarrow \downarrow \downarrow \downarrow \downarrow \downarrow -	
	36713		Z.S.Mill. SJ. Crone etal	Sindi TD 3230	5 1 103	4
	3	2 2 AN IN COL			5 Mesa Pet. Mocho Fed_Al TD3400 ~ 1	
			(MTS YE) MESO HT			
	, proc	"NM-51" State	(MTS TE) MESUTE AN * Mauginerette Haley, etal	JAL MERANGH US	US AVA	¢
	U.S	Mesore March	Meso Pet Mischell Ener. Misc Grono) -		Meso Pet H Mitchell Mitchell Energetal Tex Mex Fred Ro	(MTS Y2) Meso Pet
	Mes17/2	36703	Richetral, Hal & Ware Heley, etc. 3: 25% 4 10 86 (MTS 42)		Meso Pet-1 it incorto i sid (Tex Mex Fred he (MTS Y2) Orus V2 6 is 81 36648 6 is 81	
	36727		Mesa Ptt.	R Barg 21 Meso 1	B Re Adc	- 11Millack
	10	11	NATE AC WILLIAME	3 07 07	*	₩ ² ₩
			Roberte E, 242 Derothy Williams Rublic A	a stand		
		U. S .	Dorothy Williams Public (MTS)2 Ids Expl Sec. 57 Corol-Fed U.S	Macho-Fed X 32141	"Macho-Fed Fiorence US Mcknight	"Round Top State" State
	Yates Pet	Yates Het	(MTS Vz) XX		(MT5 Y2) Mesa,etal Mesa Pet. HBC	Vores Pet
	3) 3) L 31 + 36 1∩7 7	s (1) 36.702	Mesa Pet 36657	Mesa Pet (MTS 1/2)	36648 Forence Mcknig	
			1	101	2 a mil	ļ (
	5					

STATE OF NEW MERCES EVERY AND MINERALS DEPARIMENT

TONEL ANAYA COVERNOR

LAND COMMISSIONER JIM BACA, MEMBER OIL CONSERVATION COMMISSION STATE PETPOLEUM ENCINEER

JOE D. RAMEY, MEMBER AND DIRECTOR, OIL CONSERVATION DIVISION ED KELLEY

PAUL BIDERMAN

SECRETARY

· .

DIRECTOR, MINING AND MINERALS DIVISION AND MEMBER

OIL CONSERVATION DIVISION

PRINCIPAL OFFICE: STATE LAND OFFICE BLDG., OLD SANTA FE TRAIL, SANTA FE MALLING ADDRESS: P. O. BOX 2083, SANTA FE, NEW MEXICO 87501

TELEPHCKE: (505) 827-5800

JOE D. RAMEY, DIRECTOR

TECHNICAL SUPPORT CHIEF RICHARD L. SUNSIS

WATER RESOURCE SPECIFILIST OSCAR A. SIMPSON

GRIEFAL COULSEL. DEFRI PENROL

DISTRICT OFFICES

2, 4, 50% 1935 Telephone: - 515, 305-512.

 1. Senten, Supervisor and Dil 6.02. Luguin.

 F. Kaur, Neolocity & Leplay 12 - Conserver or

u paty will a liter from the con-

A. M. Costleberry, D. Catanach E. W. Seay A. A. Plattsmier C. W. Wink

DISTRICT III - ANTRE 17410

1000 Rio Brazos Poad Telephone: (305) 334-6178

F. T. Chavez, Supervisor and Oil & Gas Inspector

J. A. Educator, Goologist and Deputy Oil 4 Gas Inspector

C. C. Gholson, Deputy Oil & Gas Inspector

DISTRICT II - ARTESIA 88210

GEOLOGISTS

ENGINEERS

CARL G. ULVOG ROY E. JOHNSON

MICHAEL E. STOCNER

GILBERT QUINTANA

.

P. O. DRAWLR DD Telephone: (505) 748-1283

L. A. Clements, Supervisor and Oil & Gas Inspector

Larry Brocks, Geologist & Deputy Cil & Gas Inspect r

Deputy Cil & Ges Inspectors:

M. B. Williams

B. W. Weaver M. C. Stubblefield

M. C. SCEDIGITGIG

DISTRICT IV - SANDA FE 87501

P. O. Box 2088 Telephone: (505) 827-5800

C. G. Ulvog, Geologist and Oil & Gas Inspector

R. E. Johnson, Geologist and Deputy Oil & Gas Inspector

11. Sur Joan, Rie And Dei, and Sandeval Constien-

(a) Wildcar Gas Wells

In San Juan, Rio Arriba, and Candoval Counties, a wildcat well which is projected to a gasproductur, horizon shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or leas, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Lind Surveys, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary.

In the event oil production is encountered in a well which was projected to a gas-producing horizon and which is located accordingly but does not conform to the oil well location rule below, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of oil can be given.

(b) Wildcat Oil Wells

ł

•

A wildcat well which is projected to an oil-producing horizon as recognized by the Division shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 330 feet to any boundary of such tract.

In the event gas production is encountered in a well which was projected to an oil-producing horizon and which is located accordingly but does not conform to the above gas well location rules, it shall be notessary for the operator to bring the matter to a hearing before approval for the production of gas can be given.

III. All counties except Les, Chaves, Eddy, Roosevolt, San Juan, Rio Arriba, and Sandoval

Any wildedt well which is projected as an oil well in any county other than Lea, Chaves, Eddy, Poesevelt, fax Dun, Ric Arriba, and Sandoval shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot and shall be located not closer than 330 feet to any boundary of source out.

Any wildest will which to projected as a gas well to a furnation and in an area which, in the opinion of the Division representative approving the application to drill, may reasonably be presumed to be productive of gus rather than oil shall be located on a drilling tract consisting of 160 surface contiguous area, more or less, substantially in the form of a locate which is a quarter section, being # legal subdivision of the 0. S. Public Lard Schoppy, withful to locate not closer than 600 feet to any other boundary of such tract nor closer than 30 feet to by quartice particle solution of calculation, other boundary of such tract nor closer than 30 feet to by quartice particle solution of calculation, other boundary.

C. ATREADE AND WALL ICOATION REQUIREMENTS FOR LEVELOPMENT WELLS

... <u>edi Wells, All Counties</u>

Unless other use provident in special pool rules, each development well for a defined oil pool well be a use for a tract consistion of any of usely a conface contiguous acres substantially in the norm of square with a local rubinoism of the U.S. Public Land Surveys, or on a governmental quarter-quarter section of lot, and whill be include an obvier than 30 feet to any boundary of such tract new electrics. Sin int the the contest will be the local back will be of oreducing from the same pool, provided however, only track continue to active a contest of provided for while be permitted more than four wells.

II. Gas Wells

(a) Lea, Chaves, Edly, and Roosevelt Counties

Unless otherwise provided in special pool rules, each development well for a defined has piol in a formation younger than the W lifeamp formation, or in the Wolfcamp formation which was created and defined by the Division prior to Novamber 1, 1975, or in a Pennsylvanian age or older formation which was created and defined by the Division prior to June 1, 1964, shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section being a legal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary nor closer than 1320 feet to the nearest well drilling to or capable of producing from the same pool.

Unloss otherwise, provided in the special pool rules, each development well for a defined gas pool in the Wolfcamp formation which was created and defined by the Division after November 1, 1975, or of Pennsylvanian age or older which was created and defined by the Division after June 1, 1964, shall be located on a designated drilling tract consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the U.S. Public Land Surveys. Any such well having more than 160 acres dedicated to it shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary. (For the purpose of this rule, "stde" boundary and "end" boundary are as defined in Section B I(a) of this rule.)