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5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL ☐ GAS WELL ☒ OTHER ☐		DRILL ☒ DEEPEN ☐ PLUG BACK ☐		7. Unit Agreement Name	
2. Name of Operator McKay Oil Corporation ✓		8. Farm or Lease Name Royale Fee		9. Well No. 1	
3. Address of Operator P.O. Box 2014, Roswell, New Mexico 88202		10. Field and Pool, or Wildcat W. Pecos Slope Abo			
4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>660'</u> FEET FROM THE <u>West</u> LINE AND <u>1980'</u> FEET FROM THE <u>North</u> LINE OF SEC. <u>19</u> TWP. <u>6S</u> RGE. <u>23E</u> NMPM				12. County Chaves	
		19. Proposed Depth 3400'		19A. Formation Abo	
				20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 4012 GL		21A. Kind & Status Plug. Bond Statewide ✓		21B. Drilling Contractor Grande Drilling	
				22. Approx. Date Work will start ASAP	

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24.0 J-55	900±	850 cf	circulated
7 7/8"	4 1/2"	9.5 J-55	TD	1200 cf incl. 480 cf to tie 4 1/2" to 8 5/8"	

1. Drill 12 1/4" hole to 900 feet. Set 8 5/8" casing and cement to surface.
2. Wait on cement 12 hours.
3. Nipple up and install Double Ram Blow Out Preventer. Pressure test casing to 1000 psi for 30 minutes.
4. Drill 7 7/8" to 3400 feet to adequately test the Abo formation.
5. Run 4 1/2" production casing, if warranted, or plug and abandon as directed by the Oil Conservation Division of the Energy and Minerals Department.

BOP: See attachment

Gas is dedicated to New Mexico Gas Marketing, Inc.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 2-8-87
UNLESS DRILLING UNDERWAY

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

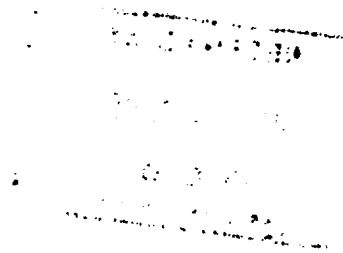
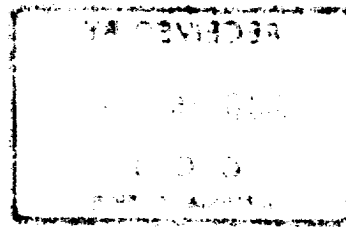
Signed John Schutt Title Landman Date 8-5-86

(This space for State Use)
Original Signed By
Les A. Clements

APPROVED BY _____ TITLE _____ DATE _____
Supervisor District II

CONDITIONS OF APPROVAL, IF ANY:

AUG - 8 1986



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

Operator McKay Oil Corp		Lease Royale Fee		Well No. #1
Unit Listed E	Section 19	Township 6S	Range 23E	County Chaves

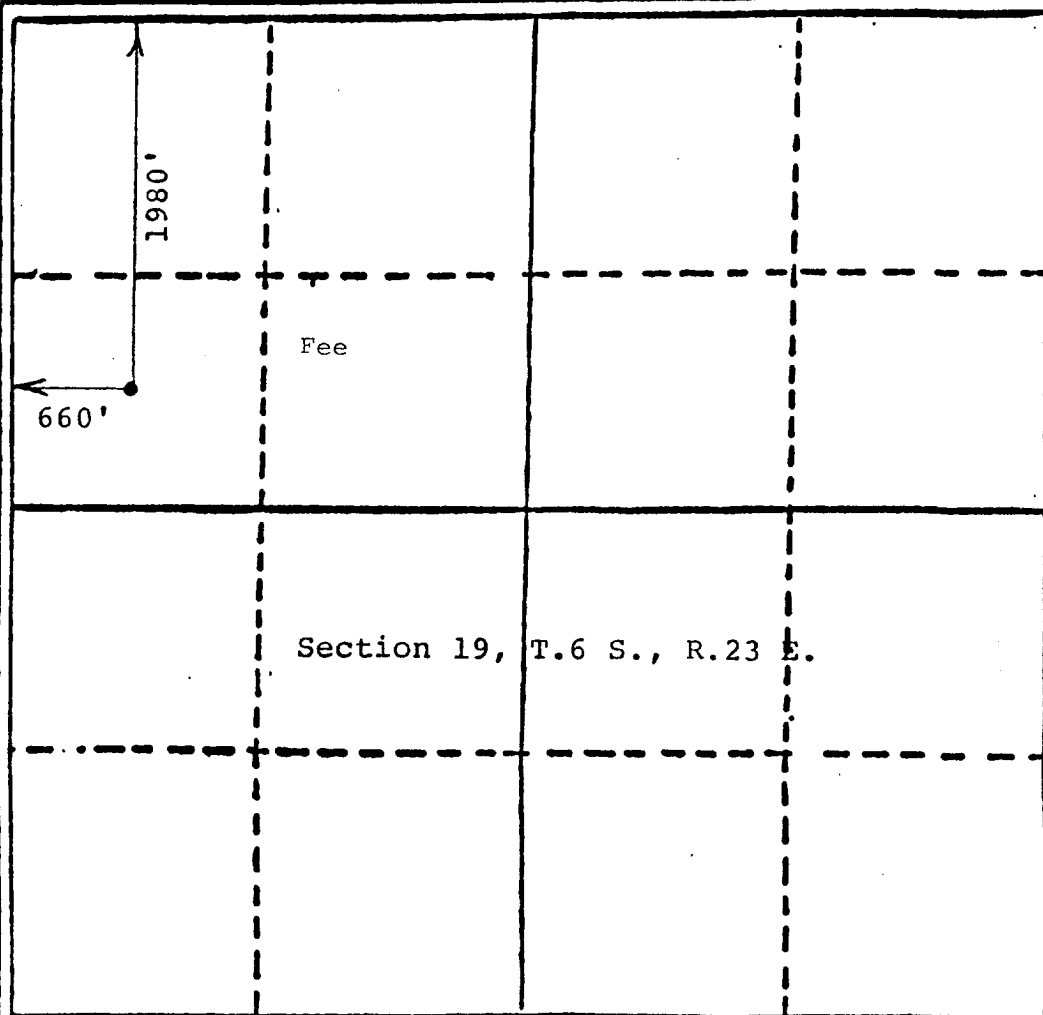
Actual Location Location of Wells 1980 feet from the North line and 660 feet from the West line		Pool W. Pecos	Slope - Abo Slope - Abo	Dedicated Acreage 160 Acres
Ground Level Elev. 4012	Producing Formation Abo			

1. Outline the acreage dedicated to the subject well by reference to the corner 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 to "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, force-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

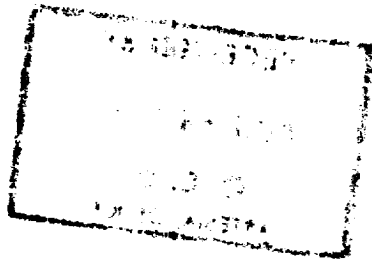
Date
8-5-86

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.

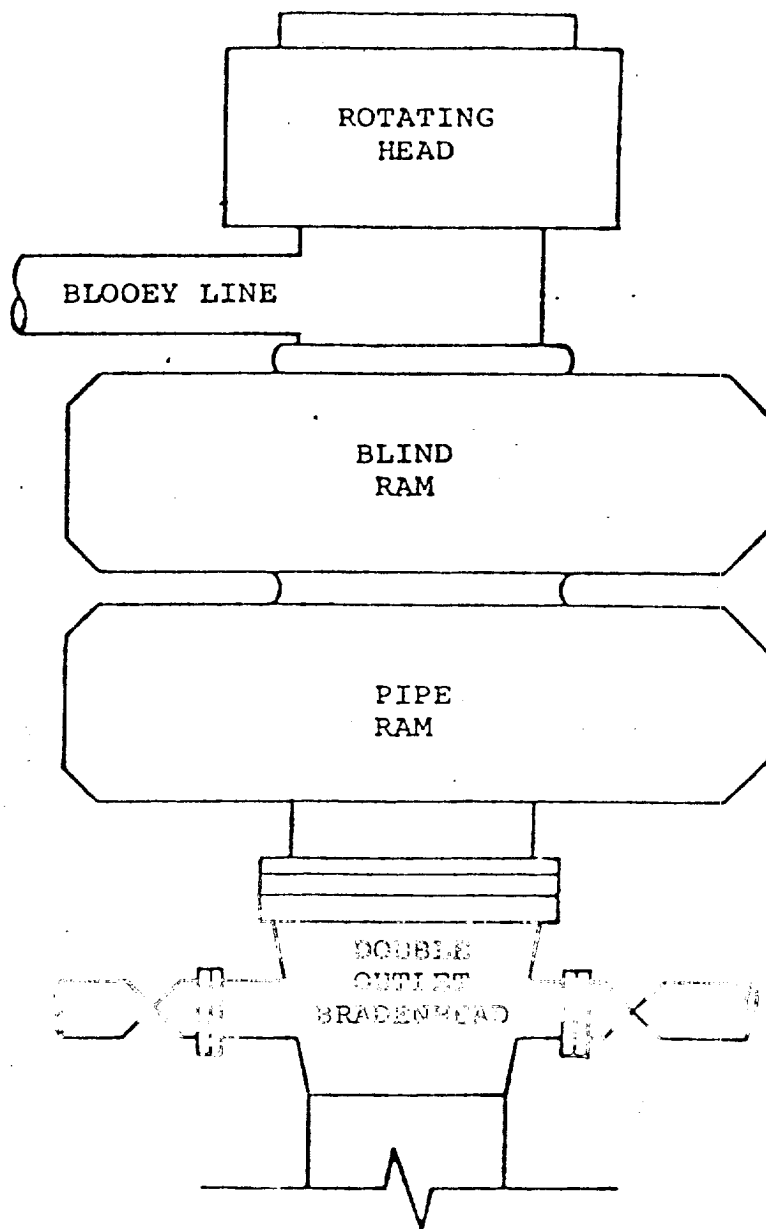
Date Surveyed
March 20, 1986

Registered Professional Engineer and/or Land Surveyor

John D. Jacques
John D. Jacques P.E. & L.S.
6290 PROFESSIONAL ENGINEER



MCKAY OIL CORPORATION
Royale Fee #1
SW/4NW/4 Sec. 19-6S-23E
Chaves County, New Mexico



BOP STACK

3000 PSI WORKING PRESSURE

