For Section 103(c), New Onshore Production Well

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."

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5. A plat locating and identifying the well of interest and the outline of the promation unit. Also, identification and explanation of any other wells within the promation unit.

V

 A copy of the State Spacing Order or, as applicable, the appropriate reference to a State regulation and/or a Federal units agreement.

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7. For a new well which was spudded on or after February 19, 1977, and drilled as an additional well into an existing provation 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 coest allow, support data acquired after cummencement of drilling, of appropriates.

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

Mc Kay Oil Conferration

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



January 8, 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 26th and forward a copy of it along with your billing to:

McKay (i) Componention P.O. J.K 2014 Reswell, New Nextool 88201

Your assistance in this matter is appreciated.

Yours very truly,

MCKAT OIL CORPORATION

Assistant to the President

Attaclment

$\underline{N} \ \underline{O} \ \underline{T} \ \underline{1} \ \underline{C} \ \underline{E}$

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: ... Remmele Federal Comm. #4 Location: Section 26, T6S-R22E County: Chaves County, New Mexico

Written comments will be accepted by the Authorized Officer commencing with the publication date and con-

tinuing 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

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

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STATE OF NEW MERICO ENERGY ADD MINERALS DEPARTMENT

TONEN ANALA COVERNOR

LAND COMMISSIONER JIM BACA, MEMBER OIL CONSERVATION COMMISSION

STATE PETROLEUM ENCINEER JOE D. RAMEY, MEMBER AND DIRECTOR, OIL CONSERVATION DIVISION

ED KELLEY DIRECTOR, MINING AND MINERALS DIVISION AND MEMBER

PAUL BIDERMAN

SECRETARY

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OIL CONSERVATION DIVISION

PRENCIPAL OFFICE: STATE LAND OFFICE BLDG., OLD SANTA FE TRALL, SANTA FE MALLING ADDRESS: P. C. ECX 2085, SANTA FE, NEW MEXICO 87501

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TELEPHONE: (505) 827-5800

JOE D. RAMEY, DIRECTOR

SECHNICAL SUPPORT CHIEF RIGWARD W. SEARDIN 11 WATER PERSONCE SPECIALIST CODAR A. SIMPSON

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GEOLOGISTS CARL G. ULVOG ROY E. JOHNSON

ENGINEERS MICHAEL E. STOENER GILBERT QULNIAMA

DISTRICT OFFICES

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J. A. Eductor, Grologist and Deputy Cil & Gas In poster

C. C. Gholson, Deputy Cil & Gas Inspector

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L. A. Clements, Supervisor and Gil & Cas Lapport

Laury Brooks, Geologist & Dus ny Gil & Gas Intep stor

Reputy Cil & Gas Instruction

- M. B. Williams
- B. W. Weaver
- M. C. Stubblefield

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P. O. Box 2083 Telephone: (505) 827-5800

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

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

II. Gan Dan, Die Arithu, and fand ral Computer

(a) Wildcat Gan Wells

In San Jum, Rio Arriba, and Sundoval Counties, a wildcat well which is projected to a gasproducing 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 Land 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

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 acction 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 necessary for the operator to bring the matter to a hearing before approval for the production of gas can be given.

ITI. All counties except les, Chaves, Eddy, Aposevelt, San Juan, Rio Arriba, and Sandoval

Any wildoat well which is projected as an cil well in any county other than Lea, Chaves, Eddy, Rocsevelt, San Juan, Ric Arrish; 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 subfamision of the U.S. Public Land Surveys, or an a governmental quarter-quarter section or lot and chill be located not observ than 330 feet to any boundary of

Any wildott well which is projected as a gas well to a formation and in an area which, in the opinion of the Division representative opproving the calibation to Arabi, may reasonably be presumed to be productive of gas rather than old shall be located in a drilling tract convisting of 100 surface contiguous area, more or less, substancially in the form of a source which is a courter second, roing & legal subdivision of the V.S. Public bolder:ity in the complete organic when it is the second of complete weather and a second result of the control of the co

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II. Cas Wells

(a) Lea, Chaves, Edly, and Propriet Counting

Unitss otherwise provided in special pool rules, each development well for a defined gas pool in a formation younged than the Wolfcarp formation, or in the Wolfcarp formation which was created and defined by the Dévision prior to November 1, 1975, or in a Beansylvanian are or older formation which was created and defined by the Division prior to June 1, 1954, 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 logal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any puter boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision famer boundary nor closer than 1320 feet to the nearest well drilling to or capable of producing from the same

Unline otherwise provided in the special port 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 or Pennaylvanian 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, "side" boundary and "end" boundary are as defined in Section B I(a) of this rule.)