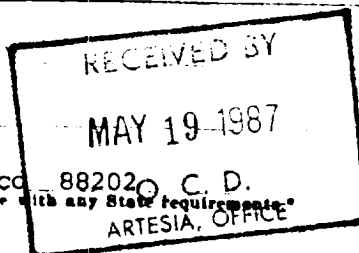


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM Oil Conservation Commission
Drawer DD
Artesia, NM 88210

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	2. NAME OF OPERATOR McKay Oil Corporation	3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico 88202, N.M.	4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 380' FWL & 1307' FSL	5. PERMIT NO.	6. ELEVATIONS (Show whether DP, RT, GR, etc.) 4185' GR 4188	7. UNIT AGREEMENT NAME	8. FARM OR LEASE NAME Hosmer Federal	9. WELL NO. 1	10. FIELD AND POOL OR WILDCAT W. Pecos Slope-Abo	11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 13, T6S, R22E	12. COUNTY OR PARISH Chaves	13. STATE N.M.
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Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) NTL-2B(Salt Water Disposal) X	

SUBSEQUENT REPORT OF:

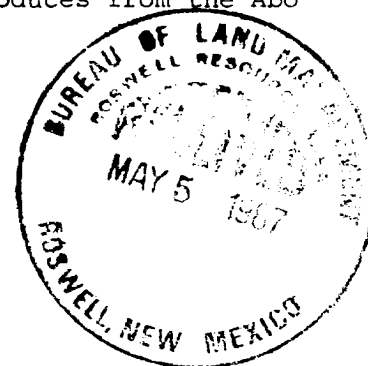
WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) _____	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETE OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Produced water from well will be stored in a 56 barrel fiberglass tank which will be located on the well pad. The fiberglass tank will be open-ended to allow evaporation of the produced water. When the produced water tank becomes full, the produced water will be transported from location and hauled to White Lakes Ranch surface disposal, which is approved by the N.M. Oil Conservation Division.

A copy of a water analysis from the LL&E Federal #1 is included. The LL&E Federal #1 is located approximately 1 mile North of this well and also produces from the Abo formation.



18. I hereby certify that the foregoing is true and correct

SIGNED Jerry W. Franklin

TITLE Landman

DATE 4/30/87

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

APPROVED
PETER W. CHESTER
DATE _____

MAY 15 1987

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side