STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

Form C-104
Revised 10-1-78

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TRANSPORTER GAS	✓
OPERATOR	✓
PRORATION OFFICE	

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED BY
MAR 20 1987
O. C. D.
ARTESIA, OFFICE

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator
MCKAY OIL CORPORATION

Address
Post Office Box 2014, Roswell, New Mexico 88201

Reason(s) for filing (Check proper box)
- New Well [X]
- Recompletion [ ]
- Change in Ownership [ ]
- Change in Transporter of: Oil [ ] Dry Gas [ ] Casinghead Gas [ ] Condensate [ ]

Other (Please explain)

If change of ownership give name and address of previous owner

DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease
Four Mile Draw Federal	8	West Pecos Slope Abo	State, Federal or Fee Federal NM-36193	

Location
Unit Letter F : 1780 Feet From The North Line and 1780 Feet From The West

Line of Section 15 Township 6S Range 22E , NMPM, Chaves Cou

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [ ] or Condensate [ ] — Address (Give address to which approved copy of this form is to be sent)

Name of Authorized Transporter of Casinghead Gas [X] or Dry Gas [ ] — Address (Give address to which approved copy of this form is to be sent)
New Mexico Gas Marketing, Inc. — Post Office Box 2014, Roswell, New Mexico 882

If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	G	36	6S	22E	Yes	2-12-87

If this production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

Designate Type of Completion – (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Re
		X	X					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
12-7-86	1-20-87	3400'	3248'
Elevations (DF, RKB, RT, GR, etc.)	**Name of Producing Formation**	**Top Oil/Gas Pay**	**Tubing Depth**
4328' GL	Abo	2823.5	2778'
Perforations 2823.5, 25, 26.5, 28, 29.5, 31, 32.5, 34, 35.5, 37, 38.5, 2865, 66.5, 68, 69.5, 2884.5, 86, 87.5, 89, 90.5, 2947.5, 49, 50.5, 52, 53.5, 55, 56.5, 58, 59.5, 3129.5, 31; 35.5, 37, 38.5			**Depth Casing Shoe**

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12¼"	8 5/8"	919'	300+ 370
7 7/8"	4½"	3317'	300 + 250
	2 3/8"	2778'	

TEST DATA AND REQUEST FOR ALLOWABLE

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Post ID-2
3-27-87
comp + BK

OIL WELL

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	**Tubing Pressure**	**Casing Pressure**	**Choke Size**
Actual Prod. During Test	**Oil-Bbls.**	**Water-Bbls.**	**Gas-MCF**

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
3963	4 hrs.		
Testing Method (pitot, back pr.)	**Tubing Pressure (Shut-in)**	**Casing Pressure (Shut-in)**	**Choke Size**
4 pt. back pressure	790	787	16/64

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Theresa Rodriguez
(Signature)
Production Analyst
(Title)
March 19, 1987

OIL CONSERVATION DIVISION

APPROVED MAR 2 3 1987, 19

BY Original Signed By
Les A. Clements

TITLE Supervisor District II

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

P. O. Box 2014
Roswell, New Mexico 88202

(505) 623-4735

March 19, 1987

RECEIVED BY
MAR 20 1987
O. C. D.
ARTESIA, OFFICE

Oil Conservation Division
Post Office Drawer DD
Artesia, New Mexico 88210

Re: Purchase of Gas Production

Gentlemen:

Please be advised that New Mexico Gas Marketing, Inc. has commenced the purchase of gas production from wells operated by McKay Oil Corporation as follows:

1.	Hosmer Federal #4 SE/4 Section 13-6S-22E	2-17-87
2.	Four Mile Draw Federal #5 NW/4 Section 14-6S-22E	2-16-87
3.	Four Mile Draw Federal #6 NE/4 Section 14-6S-22E	2-16-87
4.	Four Mile Draw Federal #7 SW/4 Section 15-6S-22E	2-17-87
5.	Four Mile Draw Federal #8 NW/4 Section 15-6S-22E	2-12-87

All of the above wells are located in Chaves County, New Mexico. We request that this information be kept "CONFIDENTIAL".

Yours very truly,

MCKAY OIL CORPORATION

Theresa Rodriguez

Theresa Rodriguez
Production Analyst

Enclosures

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

RECEIVED BY
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501
MAR 20 1987
O. C. D.
ARTESIA, OFFICE

Form C-122
Revised 10-1-78

ASF, File

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test: 4POINT [X] Initial [ ] Annual [ ] Special		Test Date: 3/23/87	
Company: MCKAY OIL CORP.	Connection: TO AIR		
Pool: PECOS ABO W. Pecos Slope Abo	Formation: ABO	Unit	
Completion Date: 1/20/87	Total Depth: 3400	Plug Back TD: 3248	Elevation: 4328
Farm or Lease Name: FOUR MILE DRAW Fed			
Csg. Size: 4.5 / Wt.: 9.5 / d: 4.090 / Set At: 3317	Perforations: From 2823.5 To 3138.5	Well No.: 8	
Tbg. Size: 2.375 / Wt.: 4.7 / d: 1.995 / Set At: 2778	Perforations: From OPEN To ENDED	Unit: F / Sec.: 15 / Twp.: 6S / Rge.: 22E	
Type Well – Single – Bradenhead – G.G. or G.O. Multiple: SINGLE	Packer Set At: NONE	County: CHAVES	
Producing Thru: TUBING	Reservoir Temp. °F: 99 @ 2981	Mean Annual Temp. °F: 60	Baro. Press. – P_a: 13.2
State: NEW MEXICO			

L	H	Gg	% CO_2	% N_2	% H_2S	Prover	Meter Run	Taps
2981	2981	.632	.111	5.136	Ø	2.000	Ø	Ø

NO.	FLOW DATA: Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h_w	Temp. °F	TUBING DATA: Press. p.s.i.g.	Temp. °F	CSG. DATA: Press. p.s.i.g.	Temp. °F	Duration of Flow
SI							790	40	787	40	72HRS
1.	2.000		.125	778	0.00	40	778	40	778	40	60MIN
2.	2.000		.1875	759	0.00	44	759	44	759	44	60MIN
3.	2.000		.250	715	0.00	45	715	45	721	45	60MIN
4.	2.000		.3125	665	0.00	45	665	45	678	45	60MIN
5.	2.000		.375	568	0.00	45	568	45	594	45	60MIN

RATE OF FLOW CALCULATIONS

NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P_m	Flow Temp. Factor Ft.	Gravity Factor Fg	Super Compress. Factor, Fpv	Rate of Flow Q, Mcfd
1	0.2648	0.00	791.2	1.020	1.258	1.082	291
2.	0.6082	0.00	772.2	1.016	1.258	1.076	645
3	1.087	0.00	728.2	1.015	1.258	1.070	1081
4	1.672	0.00	678.2	1.015	1.258	1.065	1542
5	2.378	0.00	581.2	1.015	1.258	1.057	1865

NO	P_t	Temp. °R	T_r	Z
1	1.20	500	.41	.854
2.	1.17	504	.42	.864
3.	1.10	505	.43	.873
4.	1.03	505	.43	.882
5	.88	505	.43	.895

Gas Liquid Hydrocarbon Ratio: Ø Mcf/bbl.
A.P.I. Gravity of Liquid Hydrocarbons: Ø Deg.
Specific Gravity Separator Gas: .632 / XXXXXXXXX
Specific Gravity Flowing Fluid: XXXXX / .632
Critical Pressure: 661 P.S.I.A. / 661 P.S.I.A.
Critical Temperature: 354 R / 354 R

P_c 800.2 P_c^2 640

NO	P_t^2	P_w	P_w^2	$P_c^2 - P_w^2$
1		791.2	626	14
2		772.2	596	44
3		734.2	539	101
4		691.2	478	162
5		607.2	369	271

(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 3.9506$ (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2}\right]^n = 2.5698$

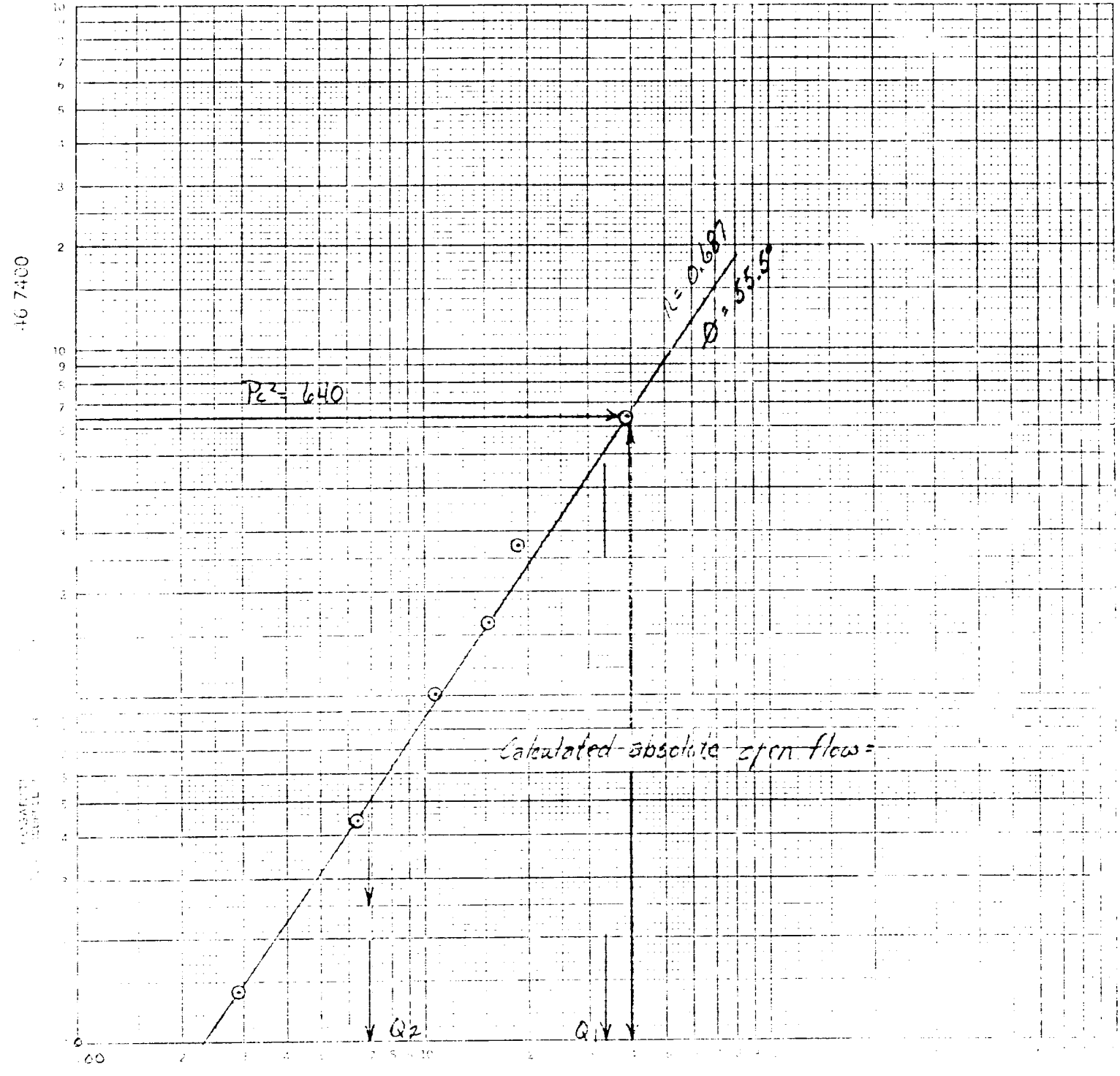
AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2}\right]^n = 3963$

Absolute Open Flow: 3963 Mcfd @ 15.025 | Angle of Slope θ: 55.5 | Slope, n: .687

Remarks:

Approved By Division	Conducted By:	Calculated By:	Checked By:

Four Mile Canal 8
15 6S 22E
Chaves County
1-23-87



$Q_1 = 3356$

$Q_2 = 690$

Log $Q_1 = 3.5258$

Log $Q_2 = 2.8388$

$n = 0.687$