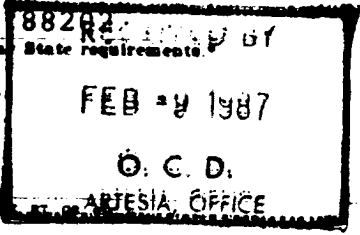


SUNDRY NOTICES AND REPORTS ON WELLS

(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.)

LEASE IDENTIFICATION AND REGISTRATION NM-32308 IF INDIAN, ALLOTTEE OR TRIBE NAME UNIT ASSIGNMENT NAME FARM OR LEASE NAME LL&E Federal WELL NO. 1 FIELD AND POOL OR WILDCAT W. Pecos Slope Abo SEC., T., R., M., OR B.L.E. AND SURVEY OR AREA Sec. 12, T6S, R22E COUNTY OR PARISH Chaves STATE NM

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐ 2. NAME OF OPERATOR McKay Oil Corporation 3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, New Mexico 88202 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1650' FEL & 660' FSL 14. PERMIT NO. 15. ELEVATIONS (Show whether at or Artesia Office) 4154' GR



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: TEST WATER SHUT OFF ☐ PULL OR ALTER CASING ☐ FRACTURE TREAT ☐ MULTIPLE COMPLETION ☐ SHOOT OR ACIDIZE ☐ ABANDON ☐ REPAIR WELL ☐ ALTERING CASING ☐ ABANDONMENT ☐ (Other) ☐ SUBSEQUENT REPORT OF: (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 17. DESCRIBE PROPOSED OR COMPLETED 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 penetrated in this work.) Pipeline Connection X

Operator proposes to construct a 2 1/2" steel natural gas pipeline to connect the referenced well. Proposed line will be buried a minimum of 12".

Archaeological survey performed January 14, 1987, by Agency for Conservation Archaeology-ENMU.



18. I hereby certify that the foregoing is true and correct SIGNED Jerry W. Frankl TITLE Landman DATE 1/20/87 (This space for Federal or State office use) APPROVED BY S/Phil Kirt TITLE Area Manager DATE FEB 5 1987 CONDITIONS OF APPROVAL, IF ANY: THIS AUTHORIZATION IS GIVEN SUBJECT TO THE CONDITION THAT ALL OR PART OF IT MIGHT BE CONVERTED TO A RIGHT-OF-WAY GRANT IN THE FUTURE. ATTACHED ARE TWO PAGES OF STIPULATIONS WHICH ALSO APPLY TO THIS SUNDRY. *See Instructions on Reverse Side