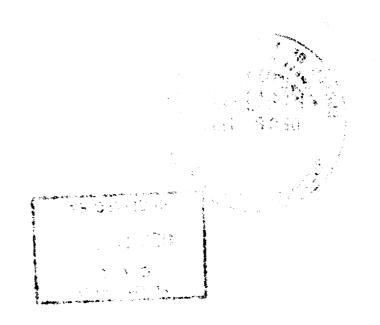
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APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.



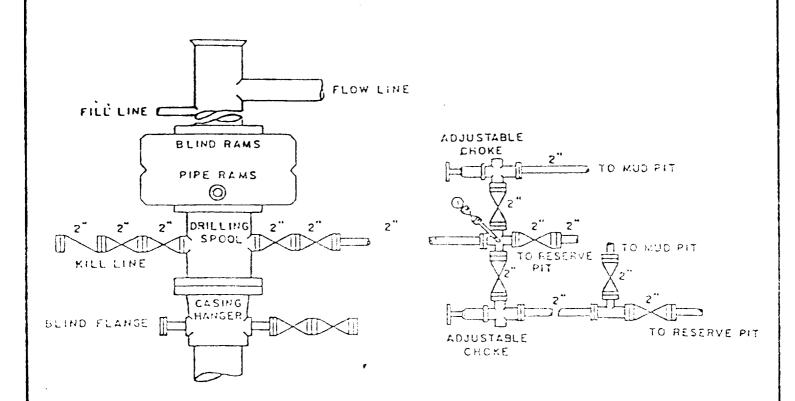
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SANTA FE, NEW MEXICO 875

Form C-192 Box13ed 10-1-7d

All distances must be from the outer bounderies of the Bertion. Well Mo. -Miller Federal McKay 0il Corp Township Unit Lester 23 East 6 South Chaves K Actual l'ustuge Lacation of Biells 1980 1980 South Iret Imm the West test from the ad Level Class Pecos Slope Abo Gao 160 4213 ABO 1. Outline the acronge dedicated to the aubject well by colored pencil or hachere merks on the plat below. 2. If more than one leans to dedicated to the well, outline each and identify the ownership thereof (both on to working interest and toyalty). RECLL DIV 3. If more than one lease of different ownership in dedicated to the well, dated by communitization, unitization, force-pooling. etc? **DEC** 15 1986 Yes . No . If answer is "yes!" type of consolidation. O. C. D. If answer in "ac," list the owners and tract descriptions which have adually AFFES consolinated. thin form if necessary.}-No allowable will be assigned to the well vatiful interests have been consolidated (by communitization, unitization, forced-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 con-Sec.7, T.6 S. R.23 E., NMPM toired herein is true and camplete to the best of my knowledge and ballah Sam L. Shackelford Postuce Agent Company McKay Oil Corp. Dale 12-7-86 NM-32322 I hereby certify that the well location shows on this plot was plotted from light 1980' notes of octual surveys made by one of er my supervision, and that the same true and conver to the best of my wledge and belief egs P.E.& L.S **** 1000 1000 2110

MCKAY OIL CORPORATION
Miller Federal #3
NE \$\frac{1}{2}SW\frac{1}{2}\$, Sec. 7-6S-23E
Chaves County, New Mexico



BOP DIAGRAM

3000# Working Pressure Rams Operated Daily

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
Miller Federal #3
NE1/4SW1/4 Sec. 7-6S-23E
Chaves County, N.M.



NM 32322

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

- 1. SURFACE FORMATION: San Andres
- 2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yeso - 652'
Tubb - 2082'
Abo - 2867'

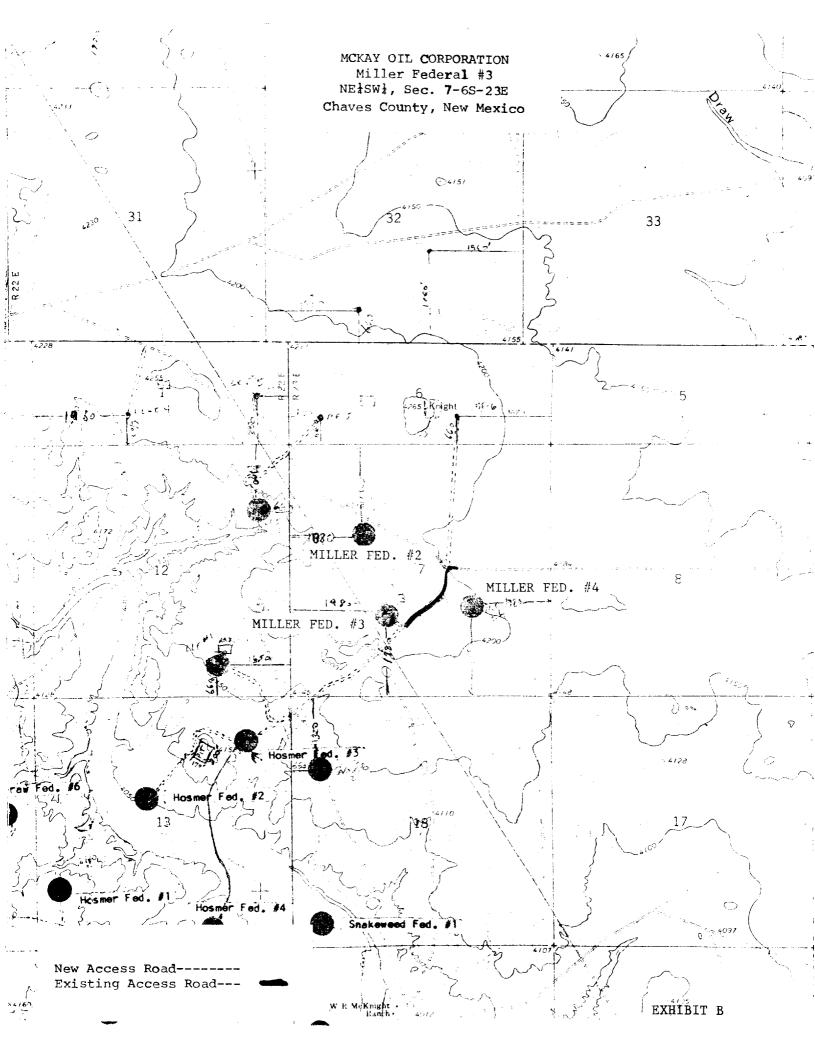
- 3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

 Fresh water In surface formations above 600'

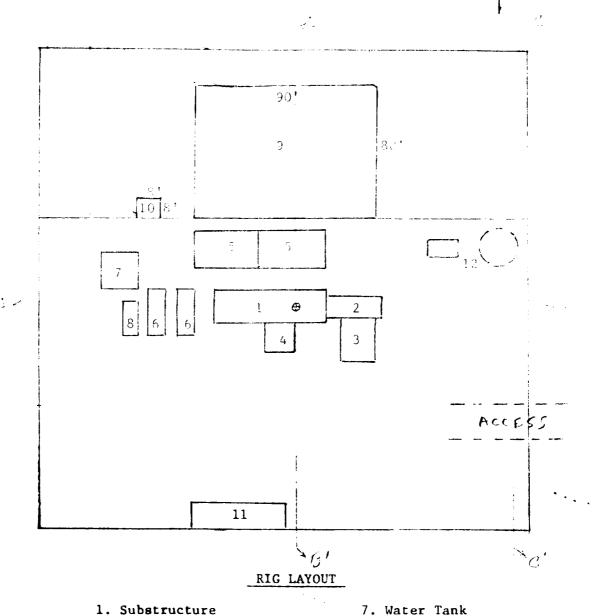
 Gas In Abo formation below 2867'
- 4. PROPOSED CASING PROGRAM: See Form 9-331C
- 5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000 #WP. A sketch of the BOP is attached.
- 6. CIRCULATING MEDIUM:
 - 0'- 600' Lime and gel, spud mud, viscosity 32 to 34 seconds.
 600'- 2750 Fresh water
 2750'- TD Start mudding up at 2750'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

Mud additives will be used to control water loss.

7. AUXILIARY EQUIPMENT: full-opening drill string safety valve fit the drill string in use, will be kept on the rig floor at all times.



MCKAY OIL CORPORATION Miller Federal #3 NEłSWł, Sec. 7-6S-23E Chaves County, New Mexico



2. Catwalk

3. Pipe Rack

4. Doghouse

5. Mud Pits

6. Mud Pumps

12. Production Facilities

8. Light Plant

9. Reserve Pit

II. Trailer House

10. Trash Pit