

NM Oil Cons. Comm - ion
Drawer DD
Artesia, NM 88210SUBMIT IN TRI DATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-005-62364

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEC 8 1986
DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

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.)*

At surface

1320 FNL-660FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

24 miles northwest of Roswell, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

2008.01

17. NO. OF ACRES ASSIGNED

TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

3300'

19. PROPOSED DEPTH

3,400'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4135'

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0 J-55	900'	850 cf cement circulated
7 7/8"	4 1/2"	10.5 J-55	TD	1200 cf cement including 480 cf to tie in 4 1/2" to 8 5/8" from 1500' to 800'.

We propose to drill and test the Abo formation. Approximately 900' of surface casing will be set and cemented to surface. If commercial, 4 1/2" production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: See Supplemental Drilling Data Which is Attached.

BOP PROGRAM: BOP will be installed on 8 5/8" casing and tested daily.

Gas is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Landman

DATE

12-7-86

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Phil Kirk

TITLE

Area Manager

DATE

DEC 10 1986

CONDITIONS OF APPROVAL, IF ANY:

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.

All distances must be from the outer boundaries of the Section.

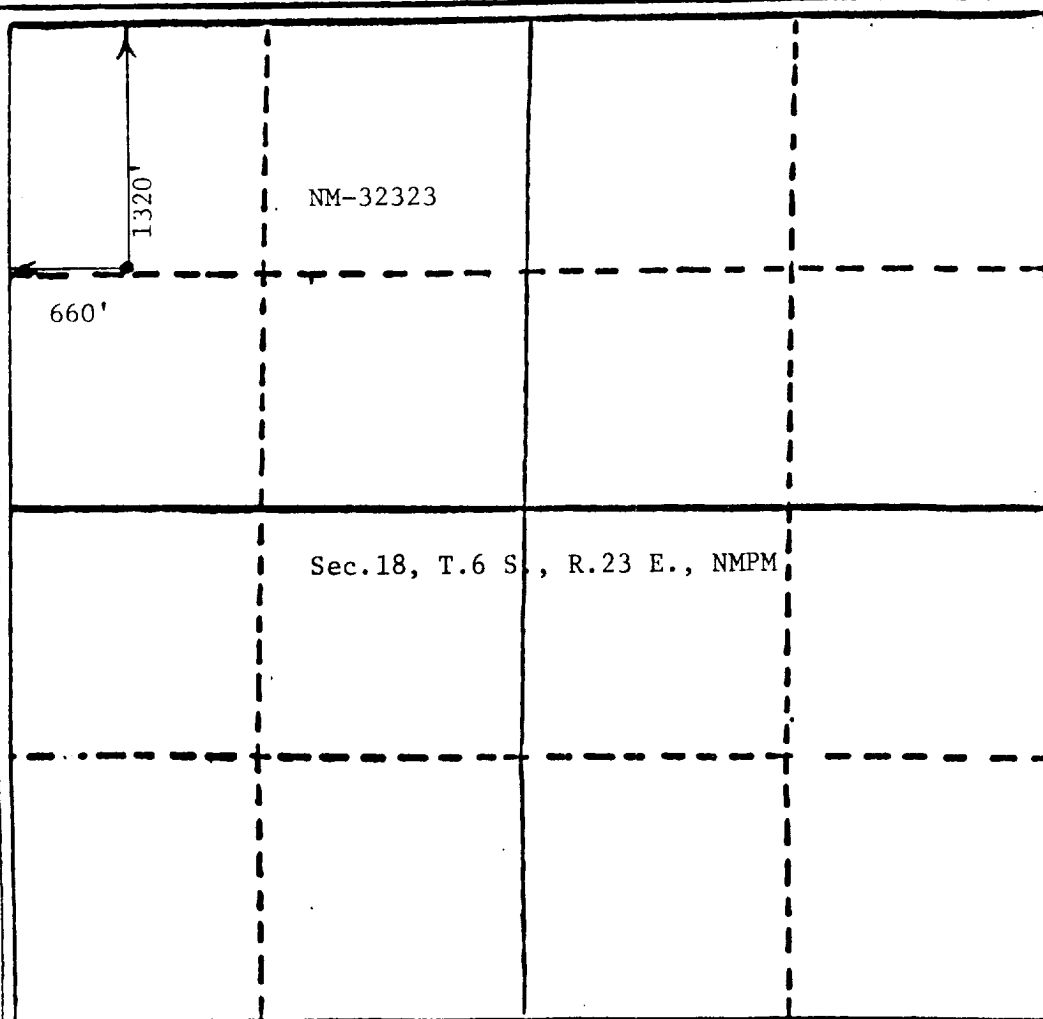
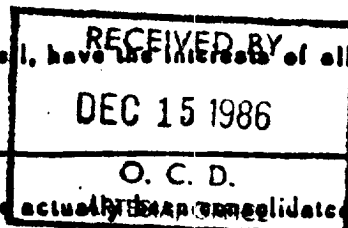
Operator McKay Oil Corp.		Lease Snakeweed Federal		Well No. #2
Unit Letter D	Section 18	Township 6 South	Range 23 East	County Chaves
Actual Footage Location of Well 1320 feet from the North line and 660 feet from the West line				
Ground Level Elev. 4135	Producing Formation ABO	Pool W. Pecos Slope Abo Gas	Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☐ Yes ☐ No - If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communization, 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 contained herein is true and complete to the best of my knowledge and belief.

Name James L. Schultz

Position Landman

Company McKay Oil Corp.

Date 12-3-86

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

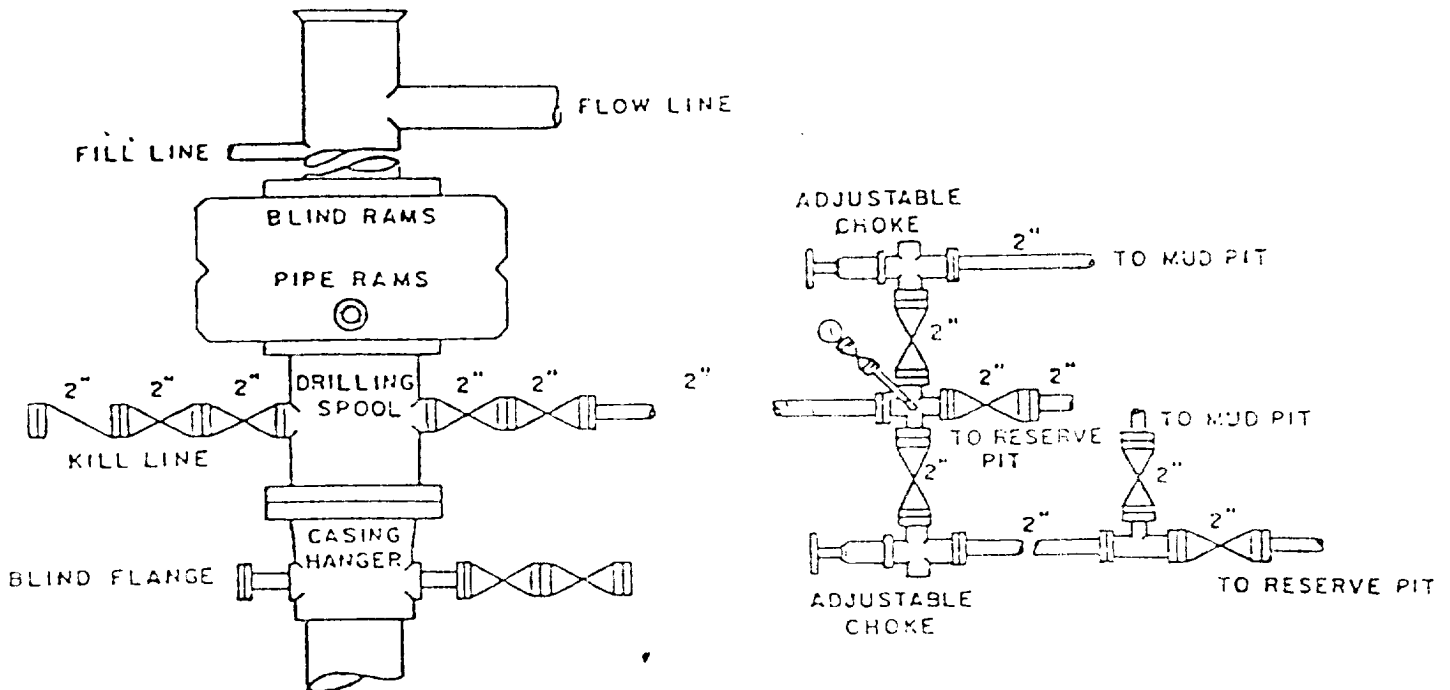
Date Surveyed November 22, 1986

My stated I am a duly Licensed Engineer and a duly Licensed Surveyor

Signature James L. Schultz E. & L.S.

Commission No. 6290

MCKAY OIL CORPORATION
Snakeweed Federal #2
SW1/4NW1/4, Sec. 18-6S-23E
Chaves County, New Mexico



BOP DIAGRAM

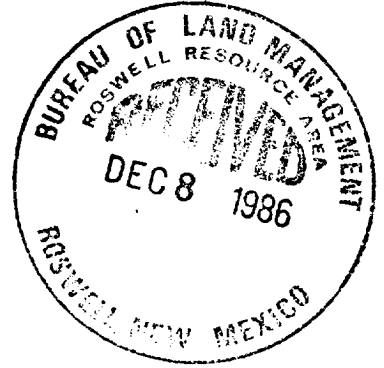
3000# Working Pressure
Rams Operated Daily

EXHIBIT D

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
Snakeweed Federal #2
NW1/4NW1/4 Sec.18-6S-23E
Chaves County, N.M.

NM 32323

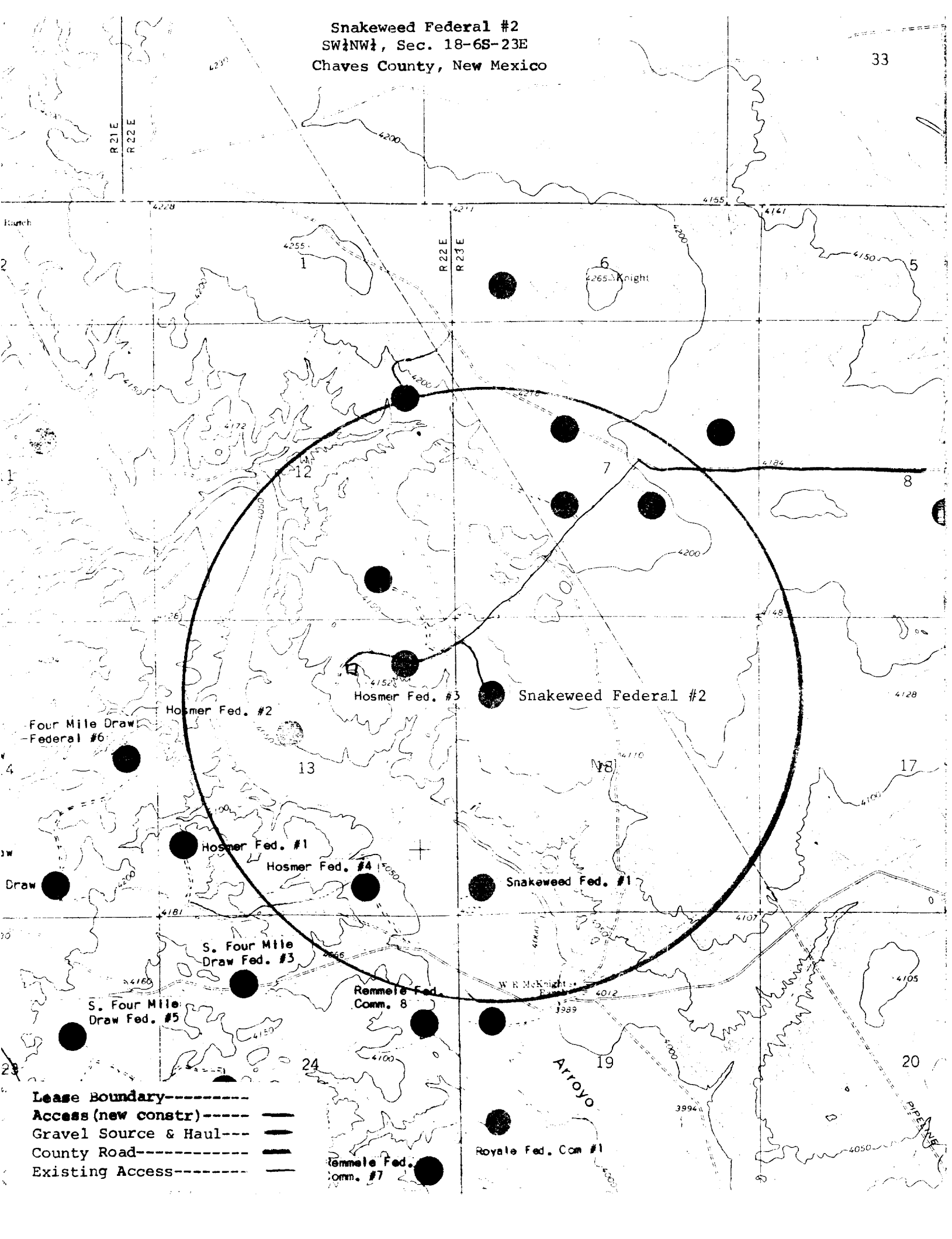


The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:
 - Yeso - 572'
 - Tubb - 2002'
 - Abo - 2777'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:
 - Fresh water - In surface formations above 600'
 - Gas - In Abo formation below 2777'
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'- 2675 Fresh water
 - 2675'- TD Start mudding up at 2675'; 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.

Snakeweed Federal #2
SW1/4NW1/4, Sec. 18-6S-23E
Chaves County, New Mexico

33

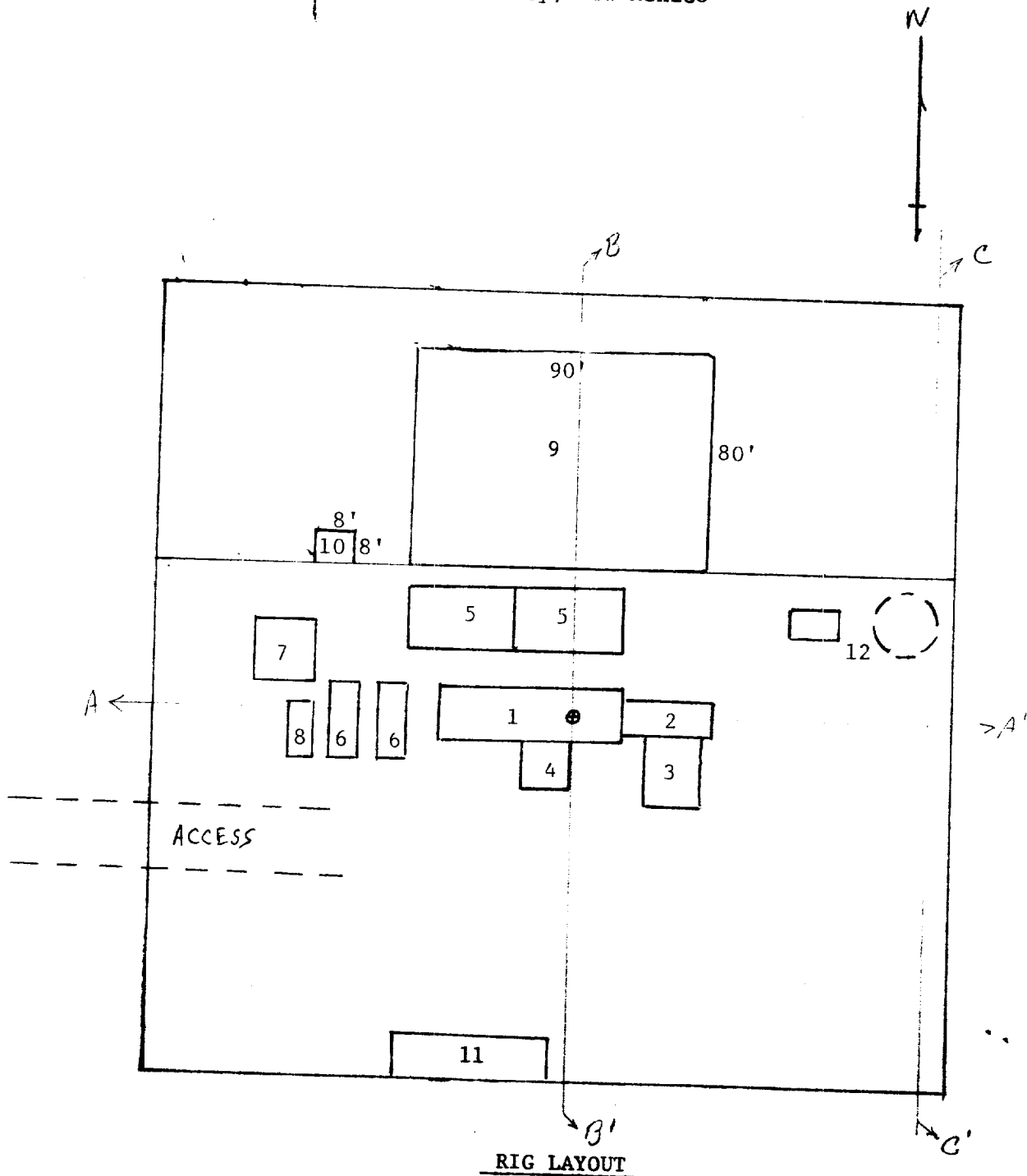


- Lease Boundary-----
- Access (new constr)-----
- Gravel Source & Haul---
- County Road-----
- Existing Access-----

Remmel Fed.
Comm. #7

Royale Fed. Com #1

MCKAY OIL CORPORATION
 Snakeweed Federal #2
 SW1/4NW1/4, Sec. 18-6S-23E
 Chaves County, New Mexico



RIG LAYOUT

- | | |
|-----------------|---------------------------|
| 1. Substructure | 7. Water Tank |
| 2. Catwalk | 8. Light Plant |
| 3. Pipe Rack | 9. Reserve Pit |
| 4. Doghouse | 10. Trash Pit |
| 5. Mud Pits | 11. Trailer House |
| 6. Mud Pumps | 12. Production Facilities |