

FERC-121

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|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------|----------------------------------|
| 1.0 API well number:<br>(If not available, leave blank. 14 digits.)                                                        | 30-005-62382                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |                                                   |                                  |
| 2.0 Type of determination being sought.<br>(Use the codes found on the front of this form.)                                | 107<br>Section of NGPA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         | (c)<br>Category Code                              |                                  |
| 3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)                           | 4018 feet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |                                                   |                                  |
| 4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)  | <div style="display: flex; justify-content: space-between;"> <div> <u>McKay Oil Corporation</u><br/> Name<br/> <u>P. O. Box 2014</u><br/> Street<br/> <u>Roswell</u><br/> City </div> <div> <u>NM</u><br/> State </div> <div> <u>88201</u><br/> Zip Code </div> </div> <div style="text-align: right;">Seller Code</div>                                                                                                                                                                                                                                                                                                                                                                                                                         |         |                                                   |                                  |
| 5.0 Location of this well: [Complete (a) or (b).]<br>(a) For onshore wells<br>(35 letters maximum for field name.)         | <u>West Pecos Slope Abo</u><br>Field Name<br><u>Chaves</u><br>County                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                   |                                  |
| (b) For OCS wells:                                                                                                         | <div style="display: flex; justify-content: space-between;"> <div>Area Name</div> <div>Block Number</div> </div> <div style="text-align: center; margin-top: 10px;"> Date of Lease:<br/> <div style="display: flex; justify-content: center; gap: 10px;"> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <div>Mo. Day Yr.</div> <div>OCS Lease Number</div> </div> </div> |         |                                                   |                                  |
| (c) Name and identification number of this well: (35 letters and digits maximum.)                                          | <u>Inexco Federal #4</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |                                                   |                                  |
| (d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)                                              | <u>Abo sand</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |                                                   |                                  |
| 6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.) | <u>New Mexico Gas Marketing, Inc.</u><br>Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |         |                                                   |                                  |
| (b) Date of the contract:                                                                                                  | <div style="display: flex; justify-content: center; gap: 5px;"> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> <div style="border-bottom: 1px solid black; width: 20px;"></div> </div> <div style="display: flex; justify-content: center; gap: 10px;"> <div>Mo.</div> <div>Day</div> <div>Yr.</div> </div>                                                                                                                                                                                                                 |         |                                                   |                                  |
| (c) Estimated annual production:                                                                                           | 277 MMcf.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |                                                   |                                  |
|                                                                                                                            | (a) Base Price<br>(\$/MMBTU)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (b) Tax | (c) All Other<br>Prices (Indicate<br>(+) or (-).) | (d) Total of (a),<br>(b) and (c) |
| 7.0 Contract price:<br>(As of filing date. Complete to 3 decimal places.)                                                  | 1.731                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -.168   | -.-.-                                             | 1.899                            |
| 8.0 Maximum lawful rate:<br>(As of filing date. Complete to 3 decimal places.)                                             | 6.400                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -.182   | +.192                                             | 6.774                            |
| 9.0 Person responsible for this application:                                                                               | <div style="display: flex; justify-content: space-between;"> <div> <u>Cindy L. Kelton</u><br/> Name<br/> <br/> Signature<br/> September 9, 1987<br/> Date Application is Completed </div> <div> <u>Assistant to the</u><br/> Title President<br/> <br/> 505/623-4735<br/> Phone Number </div> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                   |                                  |