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 of cement circulated					
7 7/8"	4 1/2"	9.5 J-55	TD	1200 cf cement including					
				480 cf to tie in 4 1/2" to 8 5/8" from 1500' to 200'.					

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 adequated 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.

SIGNED SIGNED	TITLE Landman	12-18-86
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	
APPROVED BY S/Homer Meyer, Acting	Area Manager	DEC 3 0 1986
CONDITIONS OF APPROVAL, IF ANY;		

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

TO COME STATE

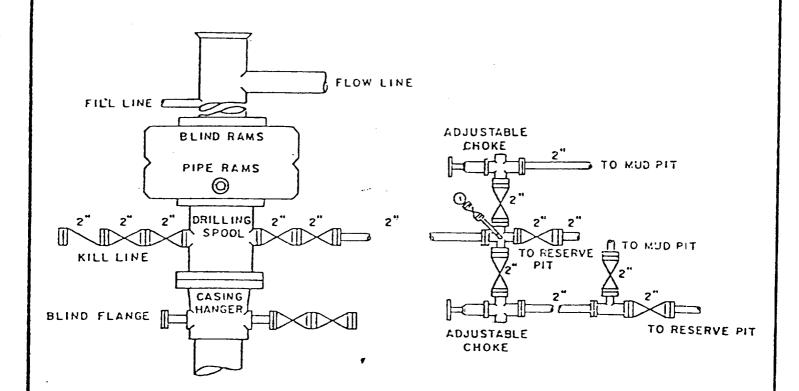
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# ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 5.501

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

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McKay Oil Corp.				Miller			Federal	#6
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this form	if necessary.)			<del> </del>		<del></del>		
No allow	able will be assign	ed to the w	ell until all in	terests h	ave been c	onsolidate	ed (by communit	zation, unitization
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MCKAY OIL CORPORATION
Miller Federal #6
SE/4SE/4 Sec. 6-6S-23E
Chaves County, NewlMexico



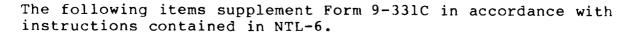
### BOP DIAGRAM

3000# Working Pressure Rams Operated Daily

#### SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION Miller Federal #6 SE1/4SE1/4 Sec 6-6S-23E Chaves County, N.M.

#### NM 32322



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

Yeso - 753'
Tubb - 2283'
Abo - 2963'

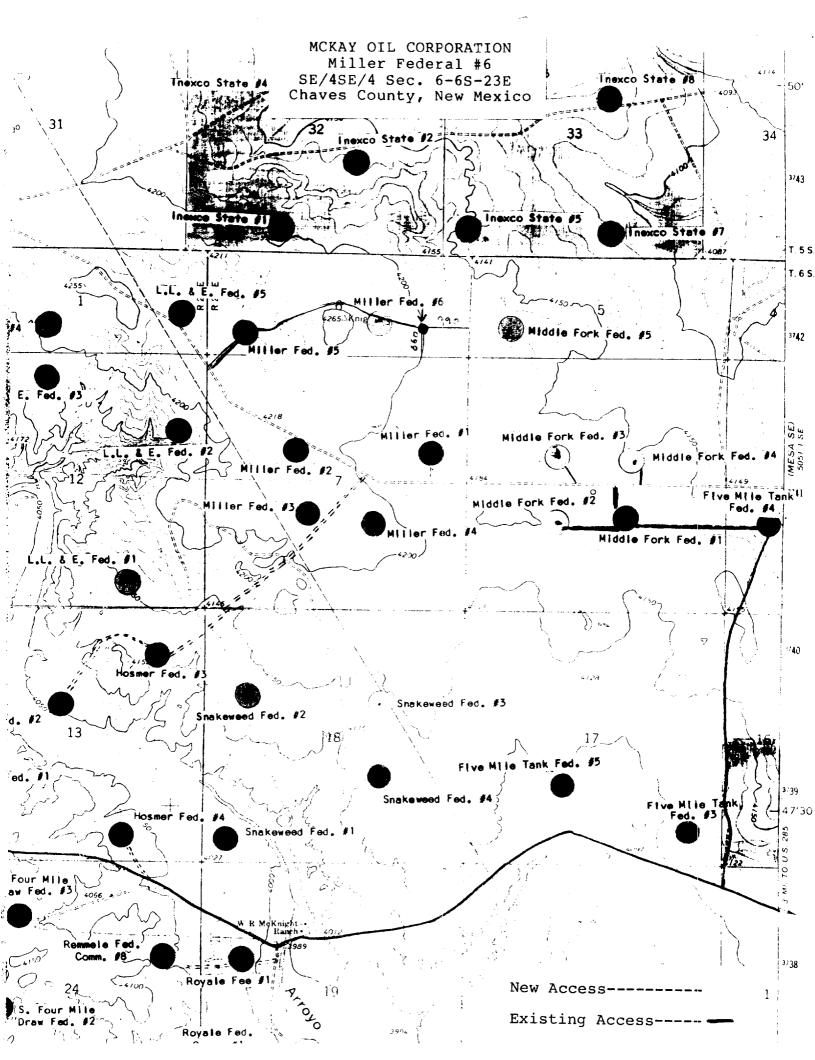
- 3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:
  Fresh water In surface formations above 600'
  Gas In Abo formation below 2963'
- 4. PROPOSED CASING PROGRAM: See Form 9-331C
- 5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated 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'- 2863' Fresh water

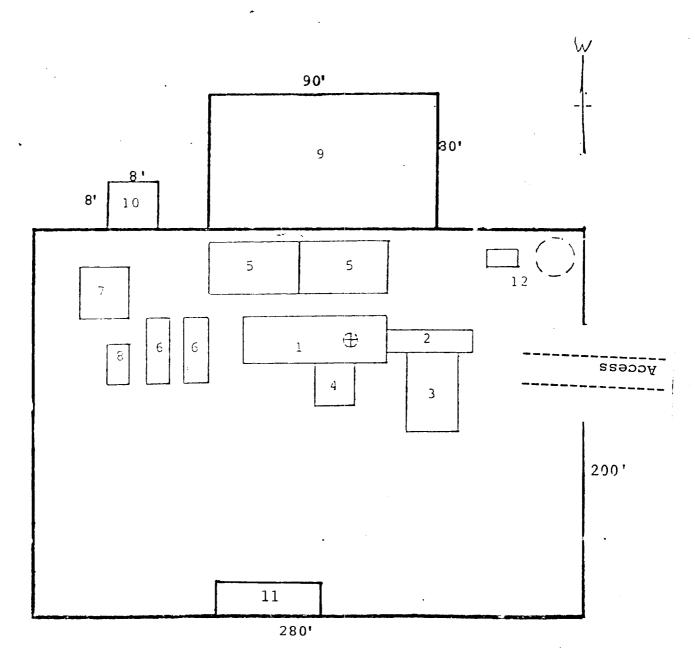
2863'- TD Start mudding up at 2863'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

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 #6
SE/4SE/4 Sec. 6-6S-23E
Chaves County, New Mexico



## RIG LAYOUT

- 1. Substructure
- 2. Catwalk
- 3. Pipe Rack
- 4. Doghouse
- 5. Mud Pits
- 6. Mud Pumps

- 7. Water Tank
- 8. Light Plant
- 9. Reserve Pit
- 10. Trash Pit
- 11. Trailer House
- 12. Production Facilities