

Form DI 1918  
(July 1984)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
SUPPLEMENTARY APPLICATION FOR  
NATURAL GAS CATEGORY DETERMINATION

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AUG 25 '87

O. C. D.

ARTESIA, OFFICE

FORM APPROVED  
OMB NO. 1004-0149  
Expires: January 31, 1986

This form is required by the Bureau of Land Management (BLM) and the Minerals Management Service (MMS) the jurisdictional agencies charged with under the Natural Gas Policy Act of 1978, 95-621, for Federal, Indian, and OCS lands. The data requested is a requirement of the Federal Energy Regulatory Commission regulation 18 CFR 274, Determinations by Jurisdictional Agencies. Such data must be forwarded to the Federal Energy Regulatory Commission by the Authorized Officer.


11. Applicant McKay Oil Corporation ✓		1. API Well No. 30-005-62439
Address (Including zip code) P. O. Box 2014, Roswell, NM 88201		2. Lease No. NM-36191
Telephone (Including area code) 505/623-4735		3. Lease Name and Well No. Pierce Federal #10
12. Request Category for Determination		4. Sec., T. & R. Sec. 5, T6S, R22E
<input type="checkbox"/> Section 102(c)(1)(B), New Onshore Wells		5. Area and Block (OCS)
<input type="checkbox"/> Section 102(c)(1)(C), New Onshore Reservoirs		6. Field West Pecos Slope Abo
<input type="checkbox"/> Section 102(d), New Reservoirs on Old OCS Leases		7. Reservoir Abo sand
<input checked="" type="checkbox"/> Section 103(c), New Onshore Production Well		8. State, District, and County NM, Roswell, Chaves
<input checked="" type="checkbox"/> Section 107(c), High-Cost Natural Gas		9. Operator McKay Oil Corporation
<input type="checkbox"/> Section 108(b), Stripper-Well Natural Gas		10. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well
13. Person Responsible for Answering Questions Cindy L. Kelton		
Address (Including zip code) P. O. Box 2014, Roswell, NM 88201		
Telephone (Including area code) 505/623-4735		
14. Newspaper, City, State, and Date (or expected date) of Notice Roswell Daily Record, Roswell, NM		
15. Gas Purchaser New Mexico Gas Marketing, Inc.		
Address (Including zip code) P. O. Box 2014, Roswell, NM 88201		
Gas Purchaser		
Address (Including zip code)		
16. Lessee and/or Working Interest Owner See attached Exhibit "A"		
Address (Including zip code)		
Lessee and/or Working Interest Owner		
Address (Including zip code)		
17. Attach the Appropriate Checklist and Support Data (See instructions) I certify that the foregoing and the checklist attached are true and correct to the best of my knowledge as determined from available record.		
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States a false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		
Name Cindy L. Kelton	Title Assistant to the President	
Signature 	Date August 25, 1987	

EXHIBIT "A"

McKay Oil Corporation  
Pierce Federal #10  
Section 5-6S-22E  
API No. 30005-62439  
Chaves County, New Mexico

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Working Interest Owners

Royale Petroleum Corporation  
Wells Fargo Bank Building  
101 West Broadway, Suite 1777  
San Diego, California 92101

McKay Oil Corporation  
P.O. Box 2014  
Roswell, NM 88201

LOG Partners  
868 McClelland Street  
Salt Lake City, Utah 84102

Flagstaff Land Associates  
2222 S. Dobson Road, Suite 6A  
Mesa, AZ 85202

DENCO Oil & Gas Investments  
2222 S. Dobson Road, Suite 6A  
Mesa, AZ 85202

DENCO Oil Properties  
2222 S. Dobson Road, Suite 6A  
Mesa, AZ 85202

DENCO Oil Partners  
2222 S. Dobson Road, Suite 6A  
Mesa, AZ 85202

McKay Children's Trust  
P.O. Box 2014  
Roswell, NM 88201

Ventana Limited Partnership  
3567 E. Sunrise Drive  
Suite 235  
Tucson, AZ 85718

Gas Purchaser

New Mexico Gas Marketing, Inc.  
P. O. Box 2014  
Roswell, New Mexico 88201

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Form Approved  
OMB No. 036-R0381U.S. DEPARTMENT OF ENERGY  
Federal Energy Regulatory Commission  
Washington, D.C. 20426

MAY 25 '87

O. C. D.  
ARTESIA, OFFICEAPPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL  
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)  
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

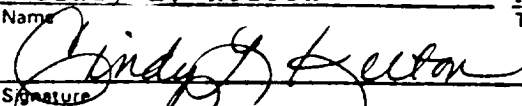
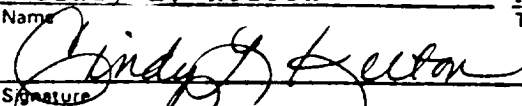
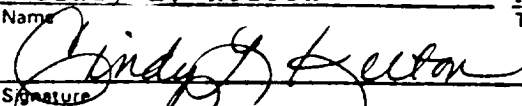
Remarks:

McKay Oil Corporation  
Pierce Federal #10

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<p>1.0 API well number: (If not available, leave blank. 14 digits.)</p>	<p>30-005-62439</p>				<p>O. C. D.</p>	<p>ARTESIA, OFFICE</p>
<p>2.0 Type of determination being sought: (Use the codes found on the front of this form.)</p>	<p>103 Section of NGPA</p>		<p>(c) Category Code</p>			
<p>3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)</p>	<p>3023.5 feet</p>					
<p>4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)</p>	<p>McKay Oil Corporation</p> <p>Name P. O. Box 2014</p> <p>Street Roswell</p> <p>City Roswell</p> <p>State NM</p> <p>Zip Code 88201</p> <p>Seller Code</p>					
<p>5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)</p>	<p>West Pecos Slope Abo</p> <p>Field Name Chaves</p> <p>County Chaves</p> <p>State NM</p>					
<p>(b) For OCS wells:</p>	<p>Area Name</p> <p>Block Number</p> <p>Date of Lease: Mo. Day Yr.</p> <p>OCS Lease Number</p>					
<p>(c) Name and identification number of this well: (35 letters and digits maximum.)</p>	<p>Pierce Federal #10</p>					
<p>(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)</p>	<p>Abo sand</p>					
<p>6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)</p>	<p>New Mexico Gas Marketing, Inc.</p> <p>Name</p> <p>Buyer Code</p>					
<p>(b) Date of the contract:</p>	<p>0 3 2 8 8 6</p> <p>Mo. Day Yr.</p>					
<p>(c) Estimated annual production:</p>	<p>71 MMcf.</p>					
		(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)	
<p>7.0 Contract price: (As of filing date. Complete to 3 decimal places.)</p>		1 . 7 3 1	. 1 6 8	. . . . .	1 . 8 9 9	
<p>8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)</p>		*****D E R E G U L A T E D *****				
<p>9.0 Person responsible for this application:</p>	<p>Cindy L. Kelton</p> <p>Name</p> <p>Assistant to the Title President</p> <p>Signature</p> <p>August 25, 1987</p> <p>505/623-4735</p> <p>Date Application is Completed</p> <p>Phone Number</p>					
<p>Agency Use Only</p> <p>Date Received by Juris. Agency</p> <p>Date Received by FERC</p>						

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1.0 API well number: (If not available, leave blank. 14 digits.)	30-005-62439				AUG 25 87						
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	107 Section of NGPA		(c) Category Code		C. D. OFFICE						
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	3023.5				feet						
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	McKay Oil Corporation Name P. O. Box 2014 Street Roswell City				Seller Code NM State 88201 Zip Code						
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	West Pecos Slope Abo Field Name Chaves County				NM State						
(b) For OCS wells:	Area Name				Block Number						
	Date of Lease: Mo. Day Yr.				OCS Lease Number						
(c) Name and identification number of this well: (35 letters and digits maximum.)	Pierce Federal #10										
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	Abo sand										
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	New Mexico Gas Marketing, Inc. Name				Buyer Code						
(b) Date of the contract:	0, 3, 2, 8, 8, 6 Mo. Day Yr.										
(c) Estimated annual production:	71 MMcf.										
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)							
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	1.731	.168	---	1.899							
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	6.400	.182	.192	6.774							
9.0 Person responsible for this application:	<table border="1"> <tr> <td>Agency Use Only</td> <td rowspan="3"> Cindy L. Kelton Name   Signature  August 25, 1987 Date Application is Completed </td> <td rowspan="3"> Assistant to the Title President  505/623-4735 Phone Number </td> </tr> <tr> <td>Date Received by Juris. Agency</td> </tr> <tr> <td>Date Received by FERC</td> </tr> </table>						Agency Use Only	Cindy L. Kelton Name  Signature August 25, 1987 Date Application is Completed	Assistant to the Title President 505/623-4735 Phone Number	Date Received by Juris. Agency	Date Received by FERC
Agency Use Only	Cindy L. Kelton Name  Signature August 25, 1987 Date Application is Completed	Assistant to the Title President 505/623-4735 Phone Number									
Date Received by Juris. Agency											
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