

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ 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 1485 FWL- 660' FNL
At proposed prod. zone

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

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if 660')

16. NO. OF ACRES IN LEASE
901.19

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

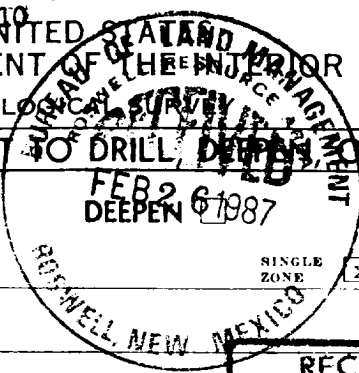
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
3/4 miles

19. PROPOSED DEPTH
3,400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4177'

22. APPROX. DATE WORK WILL START*
ASAP



5. LEASE DESIGNATION AND SERIAL NO.
NM-32308

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
L.L. & E Federal

9. WELL NO.
3

10. FIELD AND POOL, OR WILDCAT
W. Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 12-6S-22E

12. COUNTY OR PARISH
Chaves

13. STATE
NM

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 900'.

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.

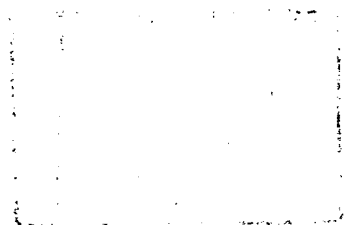
Gas is not dedicated.

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.

24. SIGNED [Signature] TITLE Landman DATE 2-26-87
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY S/Homer Meyer, Acting TITLE Area Manager DATE MAR 12 1987
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.



NEW YORK, N.Y.
1894

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

Operator McKAY OIL CORP.			Lease L.L. & E. FEDERAL		Well No. 3
Unit Letter C	Section 12	Township 6 SOUTH	Range 22 EAST	County CHAVES	
Actual Well Location of Well: 1485 feet from the WEST line and 660 feet from the NORTH line					
Ground Level Elev. 4177	Producing Formation Abo		Pool W. Pecos Slope Abo		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 (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 communitization, unitization, force-pooling, etc?

RECEIVED BY

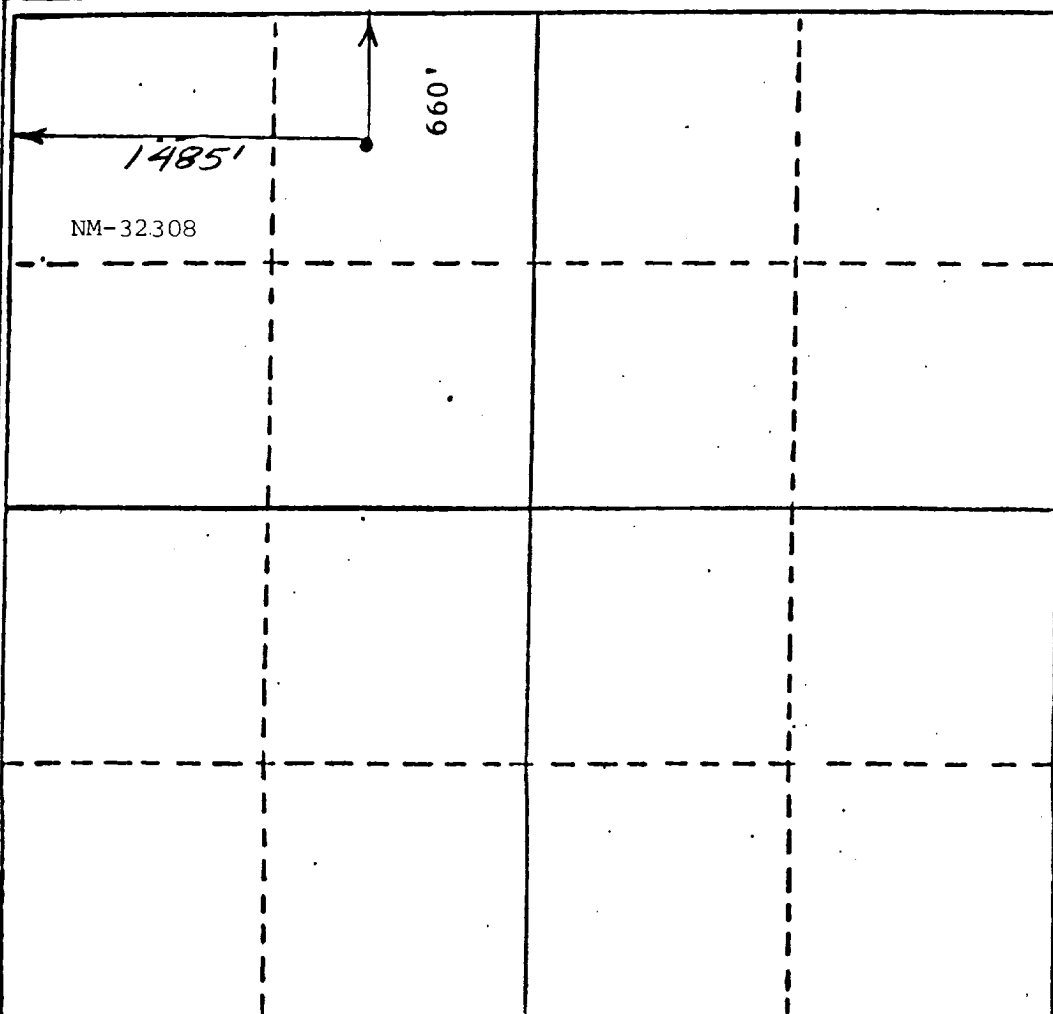
MAR 18 1987

ARTESIA, OFFICE

☐ 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 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 contained herein is true and complete to the best of my knowledge and belief.

Name
Sam L. Shackelford

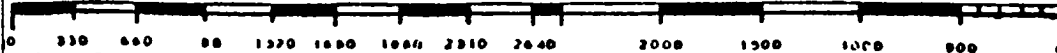
Position
Agent

Company
McKay Oil Corp.

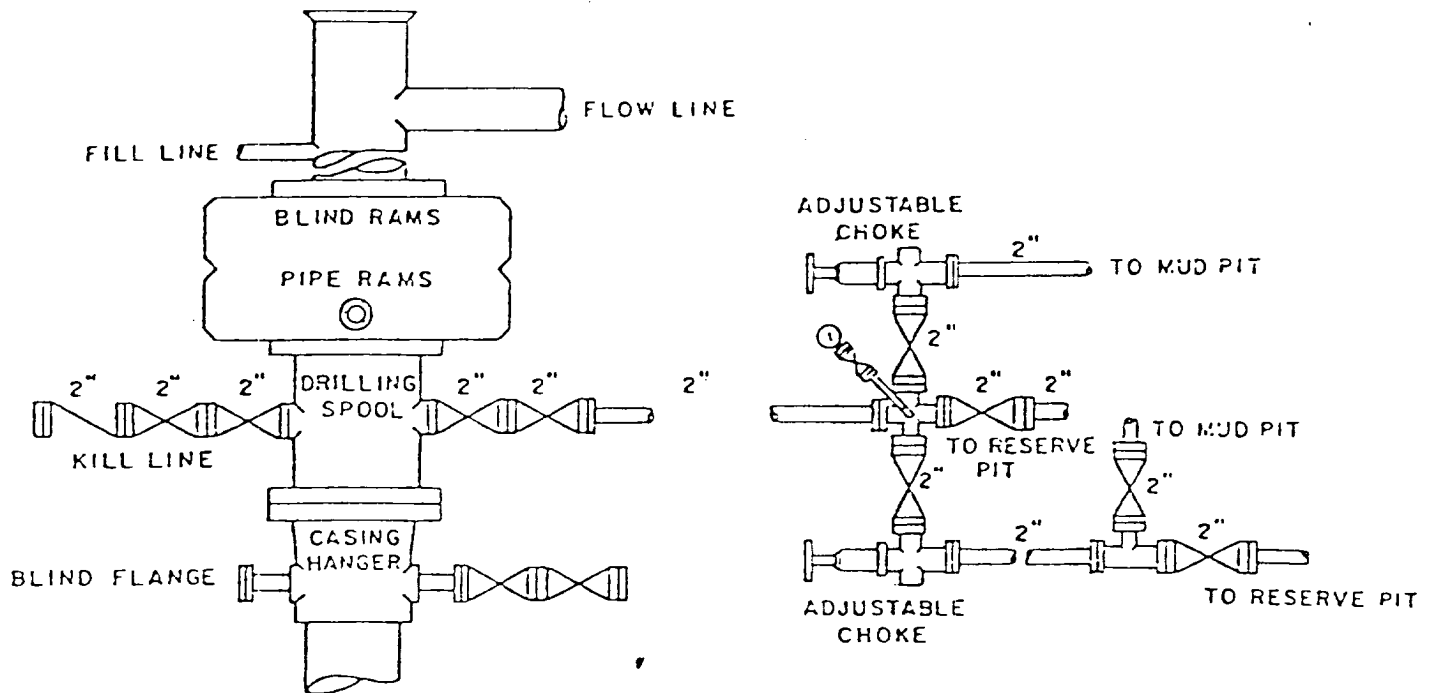
Date
2-26-87

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.

JOHN D. JAQUES
Date Surveyed **NEW MEXICO**
JANUARY 12 1987
Registered Professional Engineer
and/or Land Surveyor
John D. Jaques
PROFESSIONAL E.E. & L.S.
Certificate No. **6290**



McKay Oil Corporation
L. L. & E. Federal #3
NE/4NW/4 Sec. 12-6S-22E
Chaves County, New Mexico



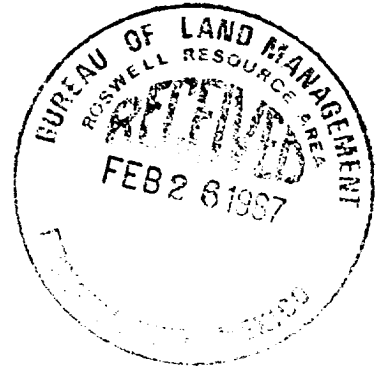
BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
L. L. & E. Federal #3
NE/4NW/4 Sec. 12-6S-22E
Chaves County, N.M.

NM 32308



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:

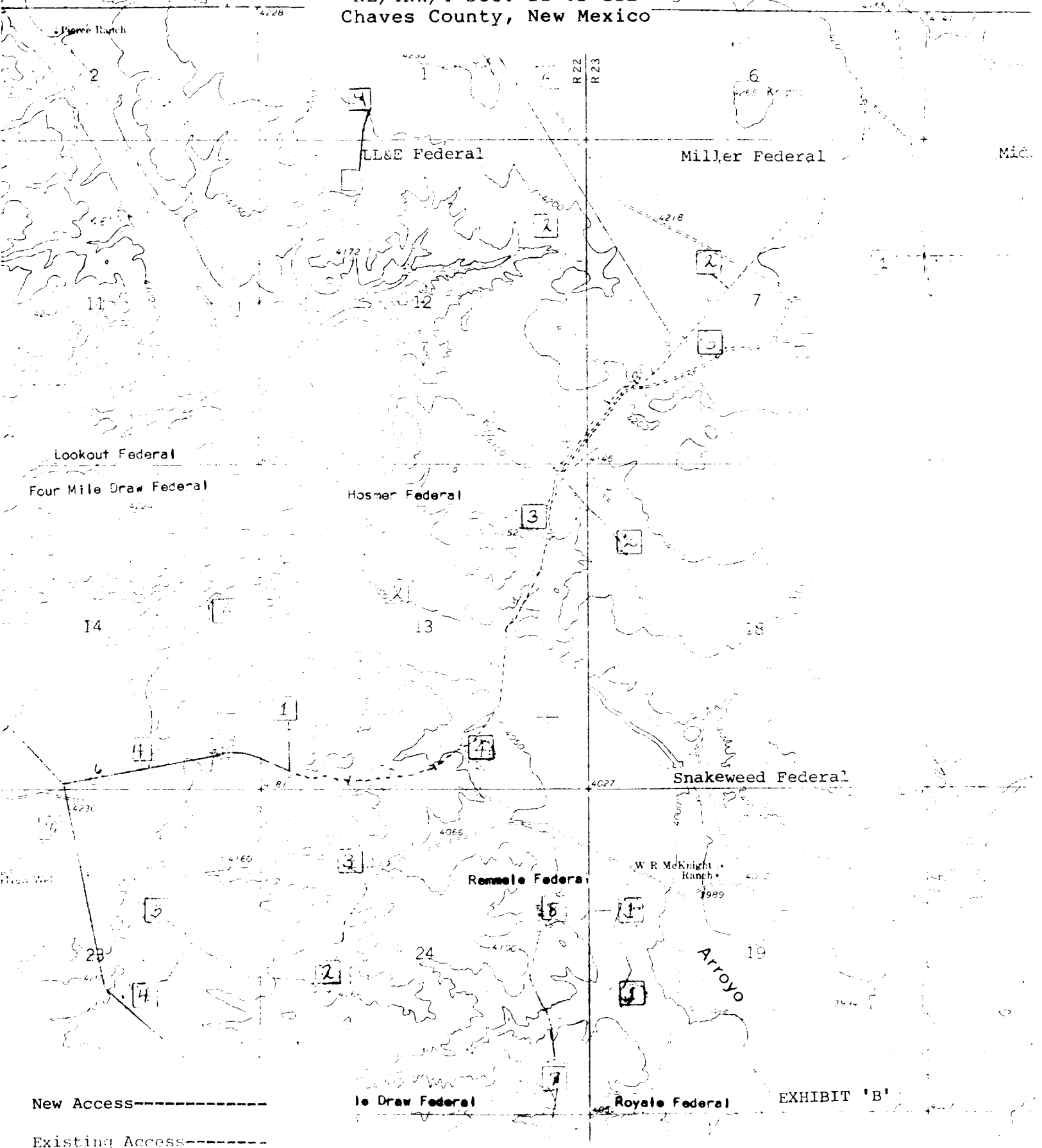
Yeso	- 728'
Tubb	- 2258'
Abo	- 2938'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 2938'
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'- 2838'	Fresh water
2838'- TD	Start mudding up at 2838'; 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.

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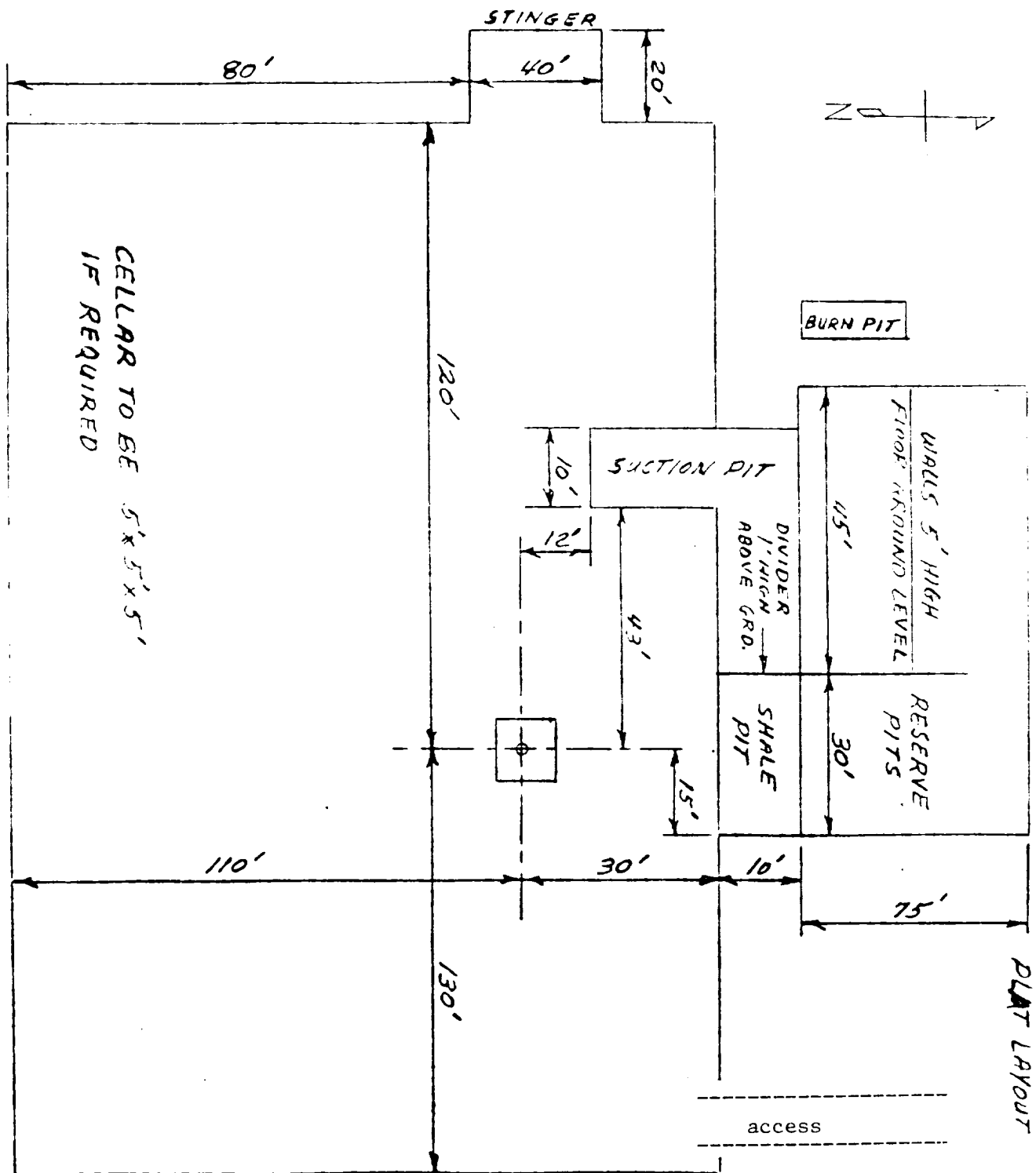


EXHIBIT "C"

McKay Oil Corporation
 L. L. & E. Federal #3
 NE/4NW/4 Sec. 12-6S-22E
 Chaves County, New Mexico