

NM Oil Cons. Comm.   
 Form 10-1111   
 (MAY 1963)   
 Drawer DD

SUBMIT IN \_\_\_\_\_ DATE \_\_\_\_\_   
 (Other instructions on   
 reverse side)

Form approved.   
 Budget Bureau No. 42-R1425.

UNITED STATES   
 DEPARTMENT OF THE INTERIOR   
 GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

2. TYPE OF WELL

OIL ☐

GAS ☒

OTHER ☐

3. NAME OF OPERATOR

McKay Oil Corporation

4. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 88202

5. LOCATION OF WELL (Report location clearly and in accordance with any State or Federal requirements)

1980' FSL & 660' FWL, NW/4 SW/4, Unit letter L   
 At proposed prod. zone

Same

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

19 air miles Northeast of Roswell, New Mexico

7. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.   
 \*Also to nearest drlg. unit line, if any

660'

8. DISTANCE FROM PROPOSED LOCATION\*

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

N/A

9. NO. OF ACRES IN LEASE

400

10. PROPOSED DEPTH

4800'

11. NO. OF ACRES ASSIGNED   
 TO THIS WELL

160

12. ROTARY OR CABLE TOOLS

Rotary

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

3758' GR

14. COUNTY OR PARISH 15. STATE

Chaves

N.M.

PROPOSED CASING AND CEMENTING PROGRAM

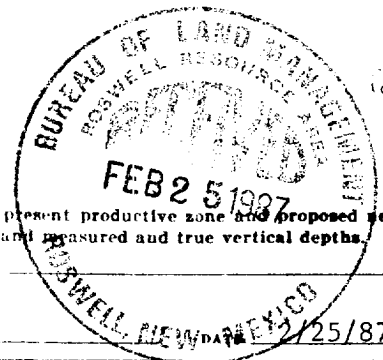
PIPE SIZE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0# J-55	750'±	625 cf or Suff. to Circulate
7 7/8"	4 1/2"	10.5# J-55	4800'±	460 cf or Suff. to isolate all oil, gas and water zones.

Operator proposes to drill to the Abo formation and test for possible commercial production of gas.

4 1/2" production casing will be set and cemented at total depth. Cement will be calculated to bring TOC to approximately 600' above the Abo formation.

PROPOSED WELL MUST BE SPUDDED BY MARCH 21, 1987 IN ORDER TO MEET CONTRACTUAL AGREEMENT BETWEEN MCKAY OIL CORPORATION AND RECORD LESSEE.

Designation of Operator from Record Lessee is attached.



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

*John W. Marshall*

TITLE

Landman

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Area Manager

APPROVED BY

TITLE

S/Homer Meyer, Acting

MAR 13 1987

CONDITIONS OF APPROVAL, IF ANY:

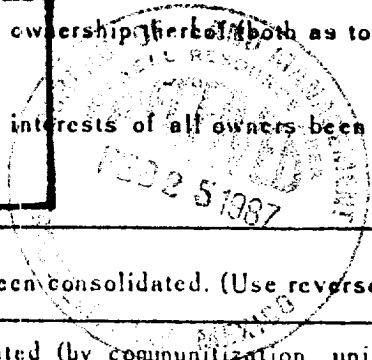
APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

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

Operator McKay Oil Corp.		Lease Pecos Federal		Well No. 1
Unit Letter L	Section 34	Township 7 South	Range 26 East	County Chaves
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line				
Ground Level Elev. 3758	Producing Formation Abo	Pool Pecos Slope	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 communitization, unitization, force-pooling, etc?

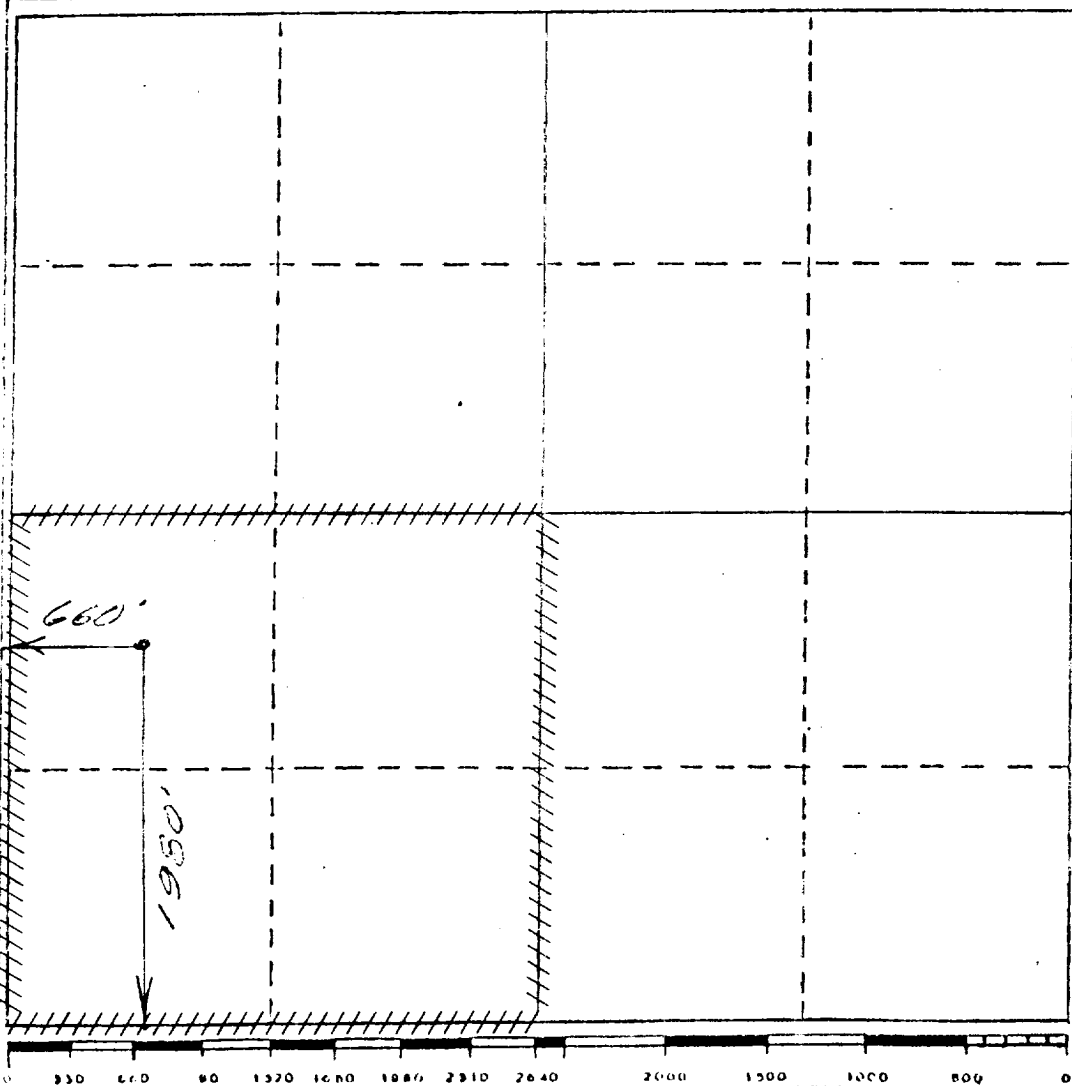
RECEIVED BY  
MAR 18 1987  
O. C. D.  
ARTESIA, OFFICE



☐ 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.

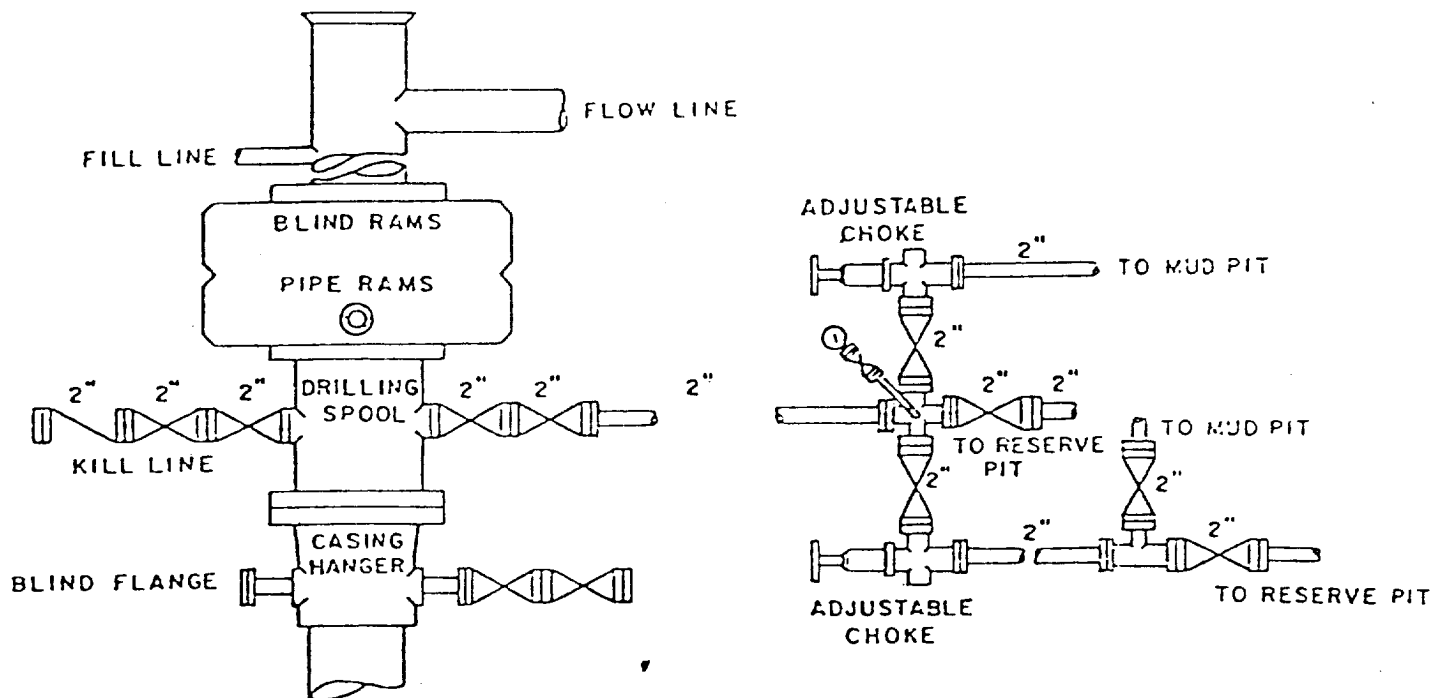
*Terry W. Franklin*

Name  
Terry W. Franklin  
Position  
Agent  
Company  
McKay Oil Corporation  
Date  
2/23/87

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  
February 6, 1987  
Registered Professional Engineer  
and Licensed Surveyor  
JOHN D. JAQUES  
Certification No. 6290

MCKAY OIL CORPORATION  
Pecos Federal #1  
NW/4 SW/4, Sec. 34-7S-26E  
Chaves County, N.M.



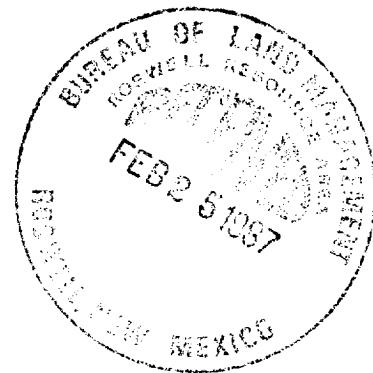
BOP DIAGRAM

3000# Working Pressure  
Rams Operated Daily

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION  
Pecos Federal #1  
NW/4SW/4 Sec. 34-7S-26E  
Chaves County, N.M.

NM 36189



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

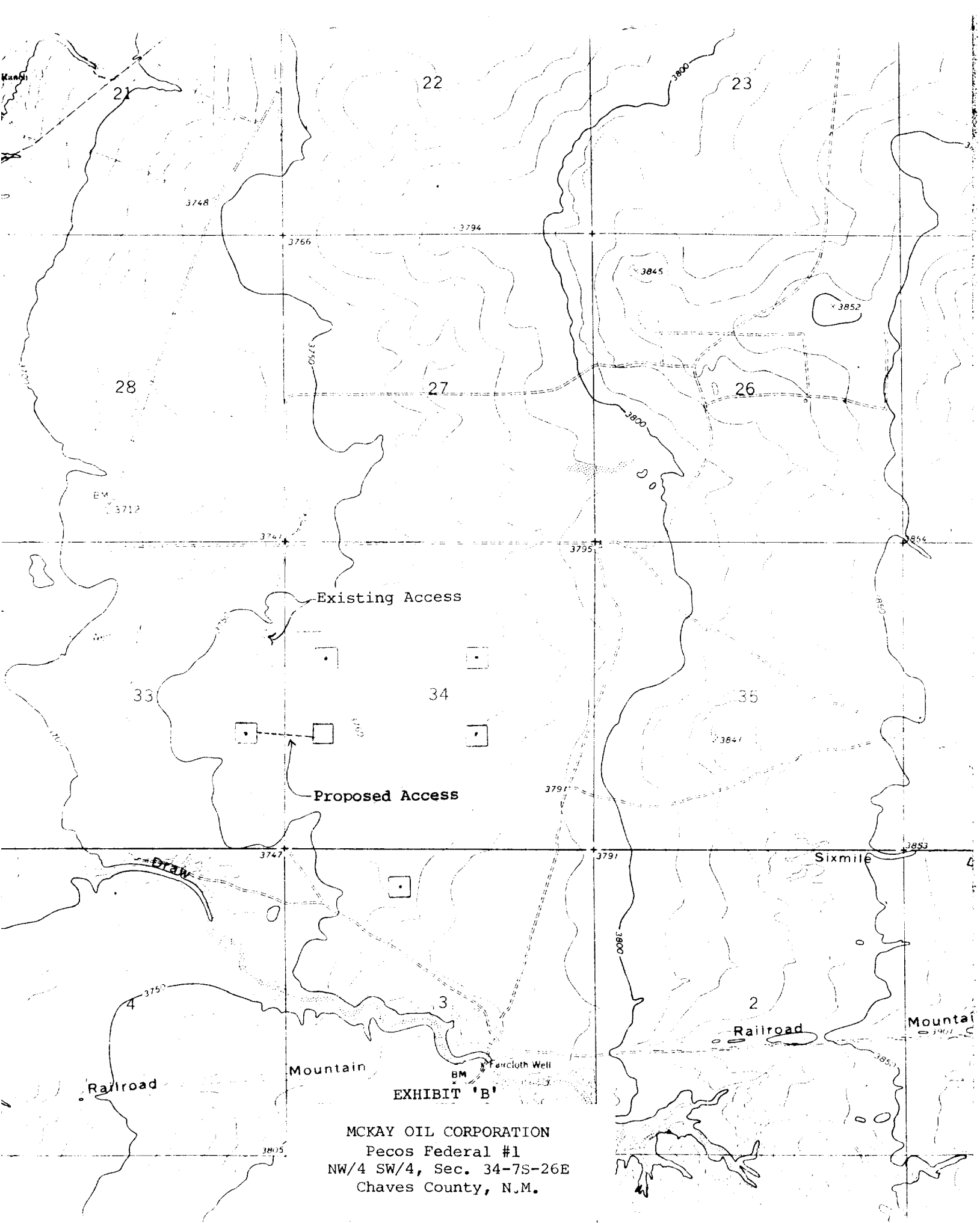
1. SURFACE FORMATION: Alluvium
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

San Andres	- 743'
Glorietta	- 1775'
Yeso	- 1890'
Tubb	- 3297'
Abo	- 4005'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 500'
Gas	- In Abo formation below 4005'
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'- 750'	Lime and gel, spud mud, viscosity 32 to 34 seconds.
750'- 3905'	Fresh water
3905'- TD	Start mudding up at 3905'; 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  
Pecos Federal #1  
NW/4 SW/4, Sec. 34-7S-26E  
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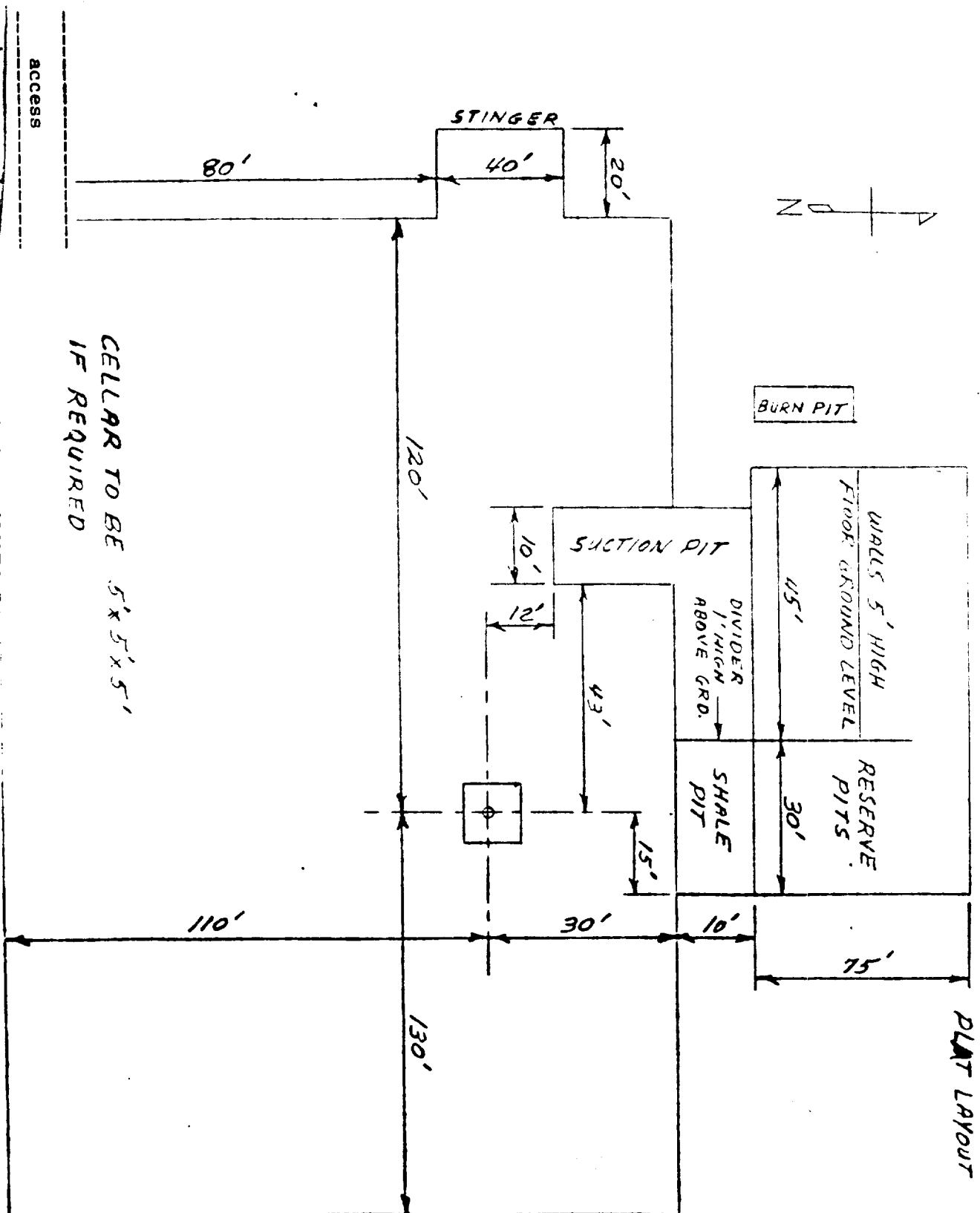


EXHIBIT "C"

MCKAY OIL CORPORATION  
 Pecos Federal #1  
 NW/4 SW/4, Sec. 34-7S-26E  
 Chisago County, N.M.