

NM Oil Cons. Commission

Drawer DD

Artesia, NM UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-005-63467

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

2. NAME OF OPERATOR

McKay Oil Corporation ✓

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 88203

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

At surface

1980' FSL & 1980' FEL, NW/4 SE/4, Unit letter J

At proposed prod. zone

Same

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

20 air miles Northeast of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drg. unit line, if any)

1980'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL DRILLING COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1.5 miles

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

3825' GR

16. NO. OF ACRES IN LEASE

400

19. PROPOSED DEPTH

4800'±

17. NO. OF ACRES ASSIGNED

TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

March 24, 1987

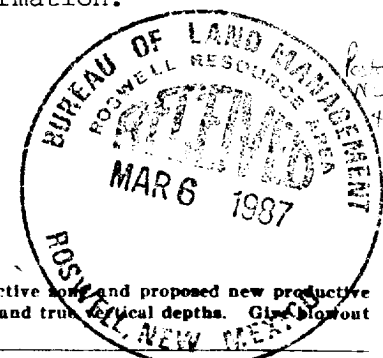
PROPOSED CASING AND CEMENTING PROGRAM

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

Gas is not dedicated.



23. 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

Larry W. Franklin

TITLE

Landman

DATE

3/6/87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Phil Kirk

TITLE

Area Manager

DATE

MAR 23 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.

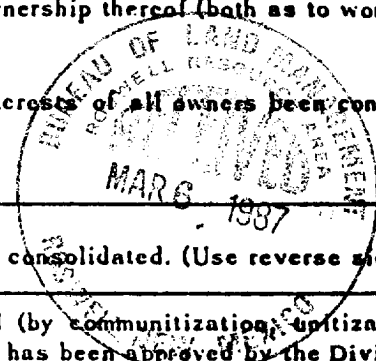
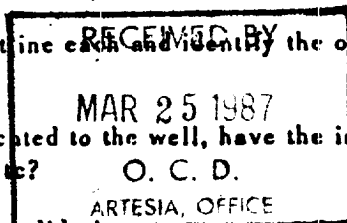
Operator McKay Oil Corp.		Lease Pecos Federal		Well No. #2
Unit Letter J	Section 35	Township 7 South	Range 26 East	County Chaves
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line				
Ground Level Elev. 3825	Producing Formation Abo	Pool Pecos Slope	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

☐ 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

Terry W. Franklin

Position

Agent

Company

McKay Oil Corporation

Date

3/5/87

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.

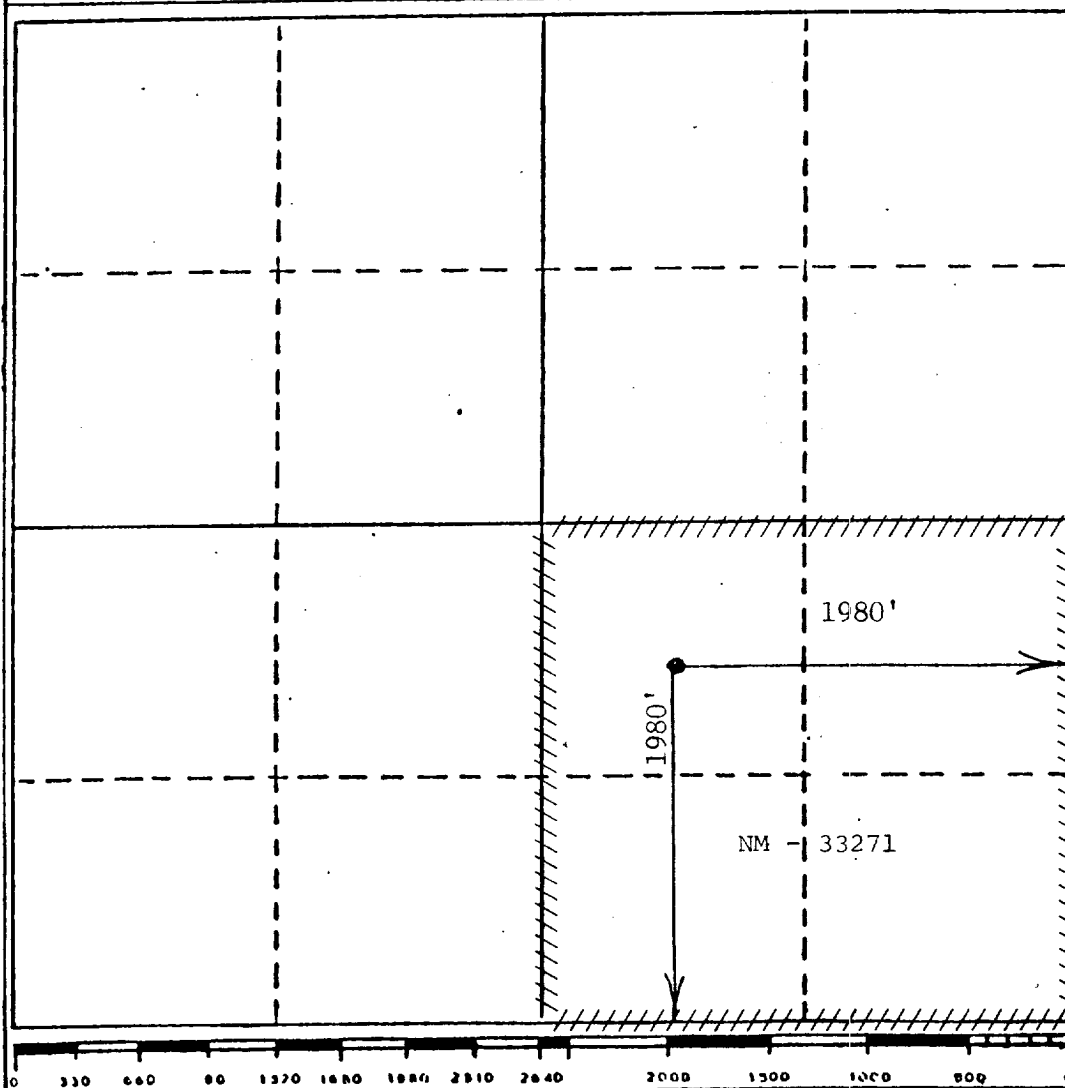
Date Surveyed

February 25, 1987

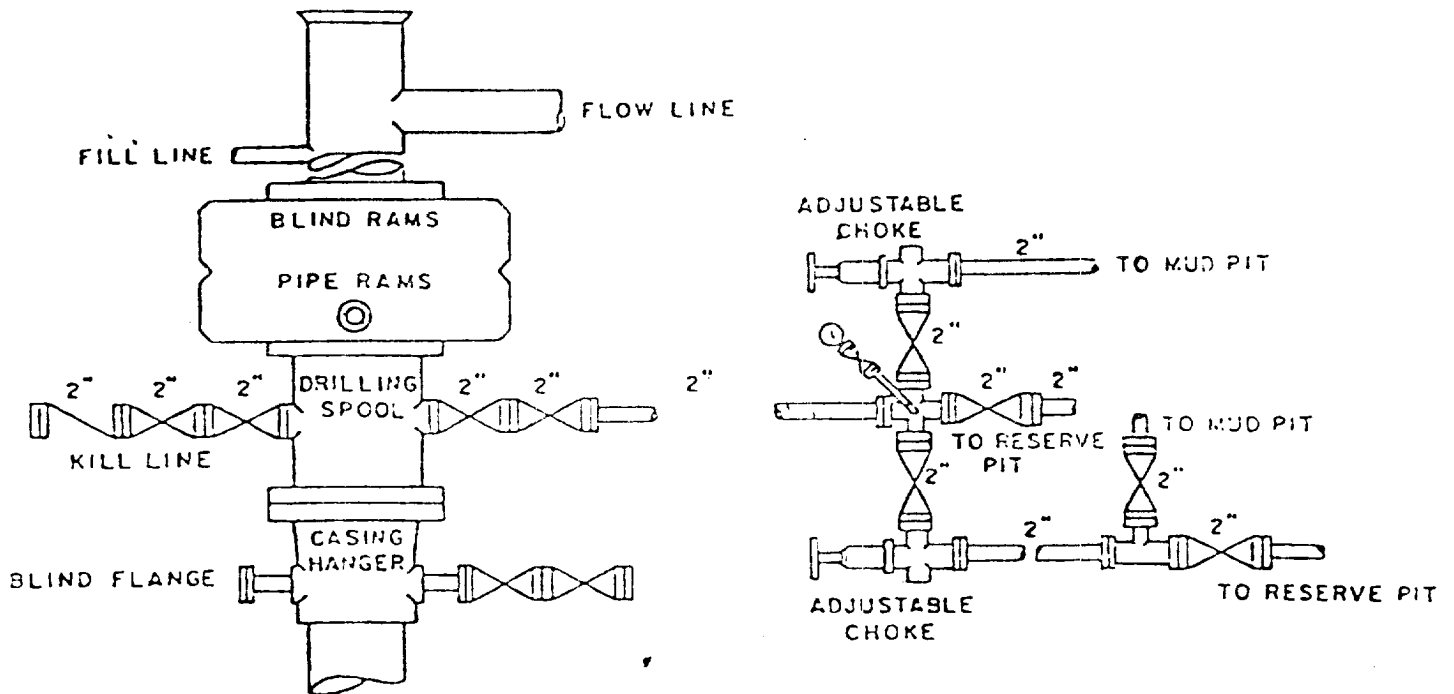
Registered Professional Engineer
and/or Land Surveyor

John D. Jaquess, P.E. & L.S.

Certificate No. 15290



MCKAY OIL CORPORATION
Pecos Federal #2
NW/4 SE/4, Sec. 35-7S-26E
Chaves County, N.M.



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

EXHIBIT D

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
Pecos Federal #2
NW/4SE/4 Sec. 35-7S-26E
Chaves County, N.M.

NM 33271



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	-	810'
Glorietta	-	1837'
Yeso	-	1957'
Tubb	-	3364'
Abo	-	4072'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	-	In surface formations above 500'
Gas	-	In Abo formation below 4072'
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'- 3972'	Fresh water
3972'- 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.

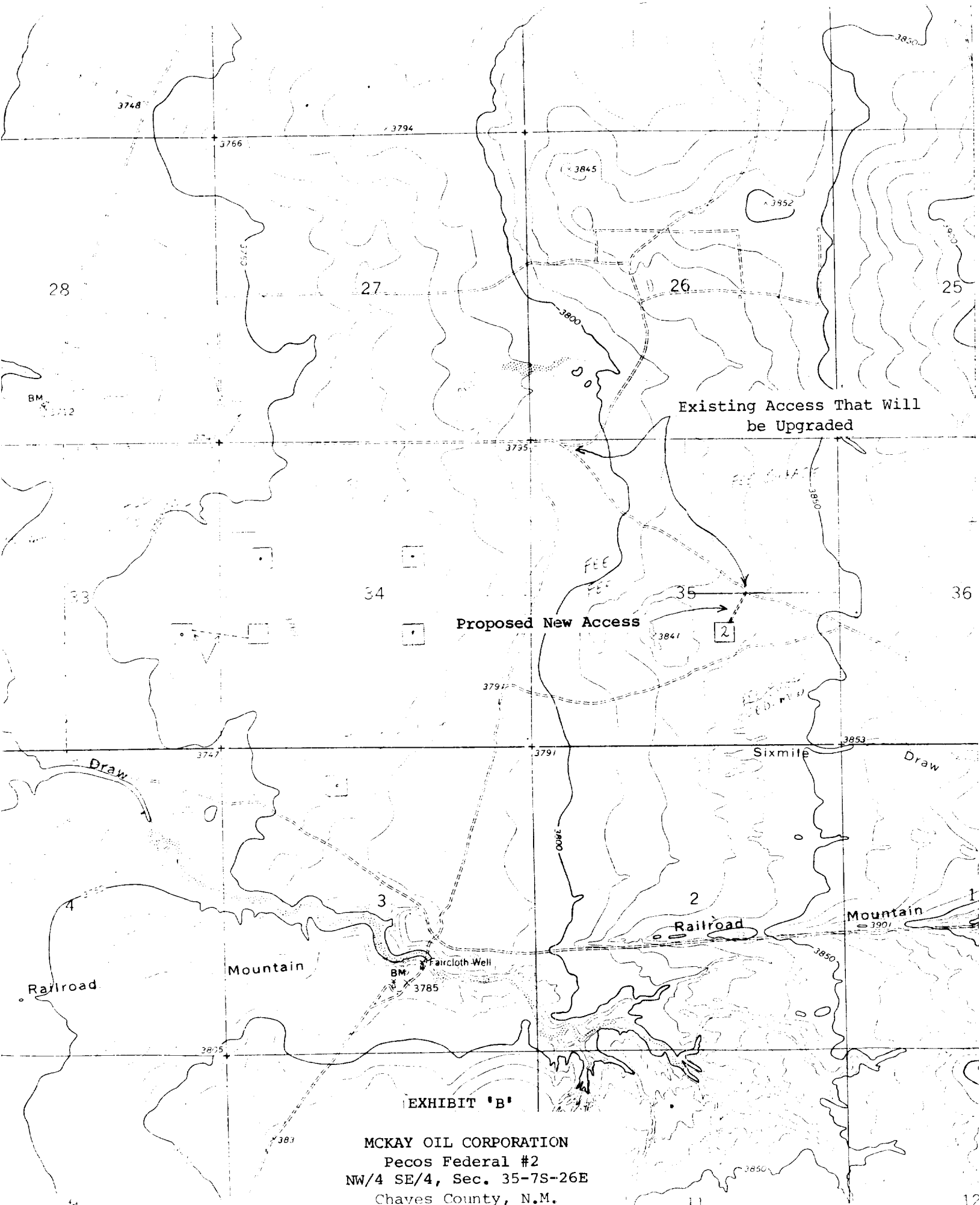


EXHIBIT 'B'

MCKAY OIL CORPORATION
Pecos Federal #2
NW/4 SE/4, Sec. 35-7S-26E
Chaves County, N.M.

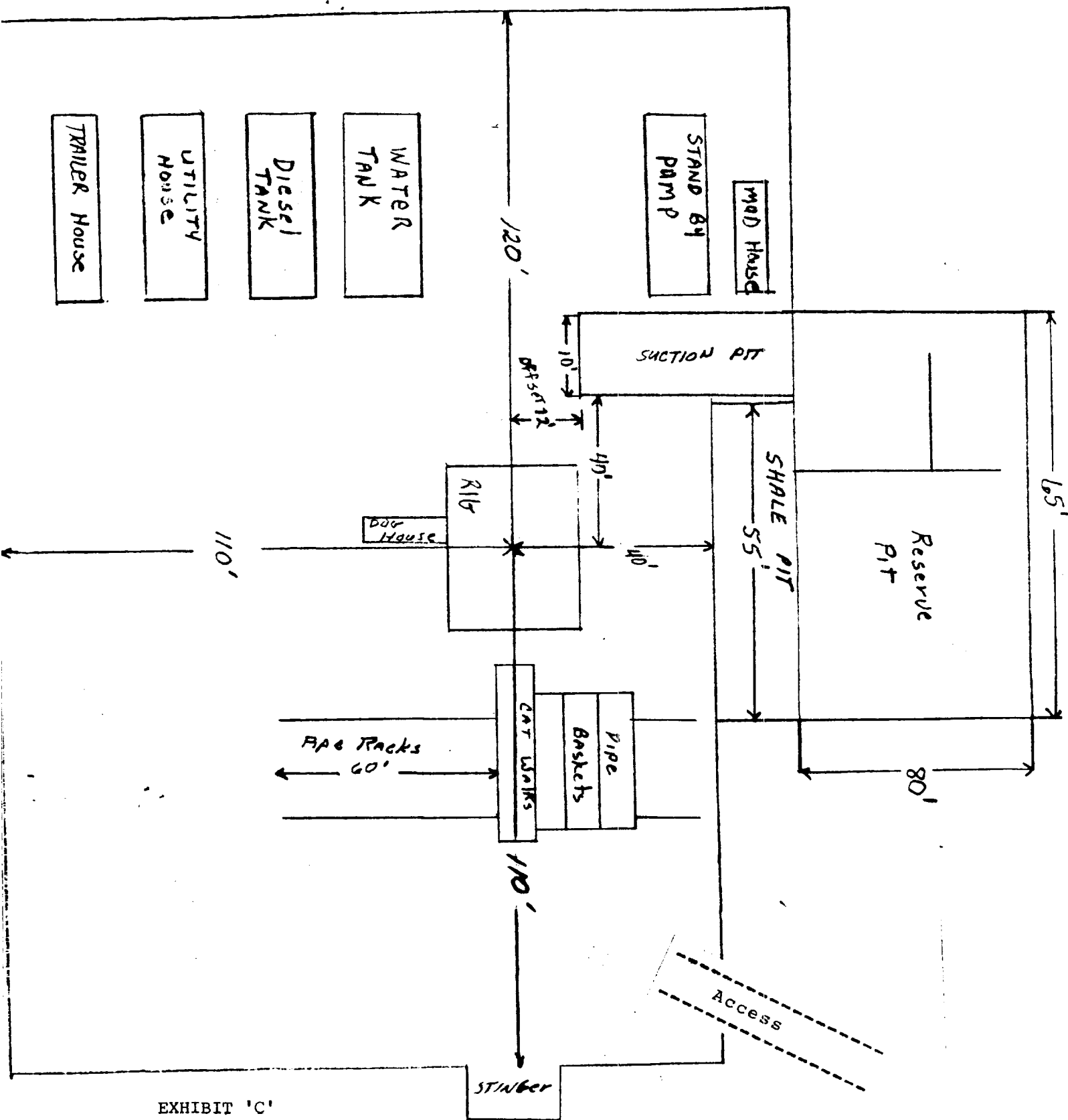
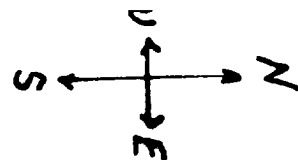


EXHIBIT 'C'

MCKAY OIL CORPORATION
Pecos Federal #2
NW/4 SE/4, Sec. 35-7S-26E
Chaves County, N.M.