

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKay Oil Corporation

RECEIVED

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

860' FNL & 660' FWL, NW/4 NW/4, Unit Letter D

At proposed prod. zone

Same

ARTESIA, OFFICE

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

23 air miles northwest of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

660'

16. NO. OF ACRES IN LEASE

640

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.

N/A

19. PROPOSED DEPTH

3,400'

20. ROTARY OR CABLE TOOLS

Rotary

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

4088' GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

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#	900'±	Class 'C' to surface
7 7/8"	4 1/2"	10.5#	T.D.	Cement to 600' above T/Pay and/or to isolate all oil, gas and water zones.

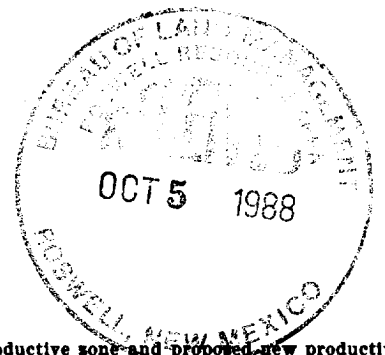
Propose to drill and test the Abo formation. Potential zones of interest in the Abo formation will be perforated and stimulated as needed for production.

B.O.P. sketch is attached.

Gas is not dedicated.

Exp. Int.
19-6-91

POST ID-1
NL & API
12-2-88



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

Lucy W. Franklin

TITLE

Agent

DATE 10/05/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Stephen Meyer, Jr.

TITLE

Area Manager

DATE

NOV 18 1988

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.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

See Instructions On Reverse Side

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

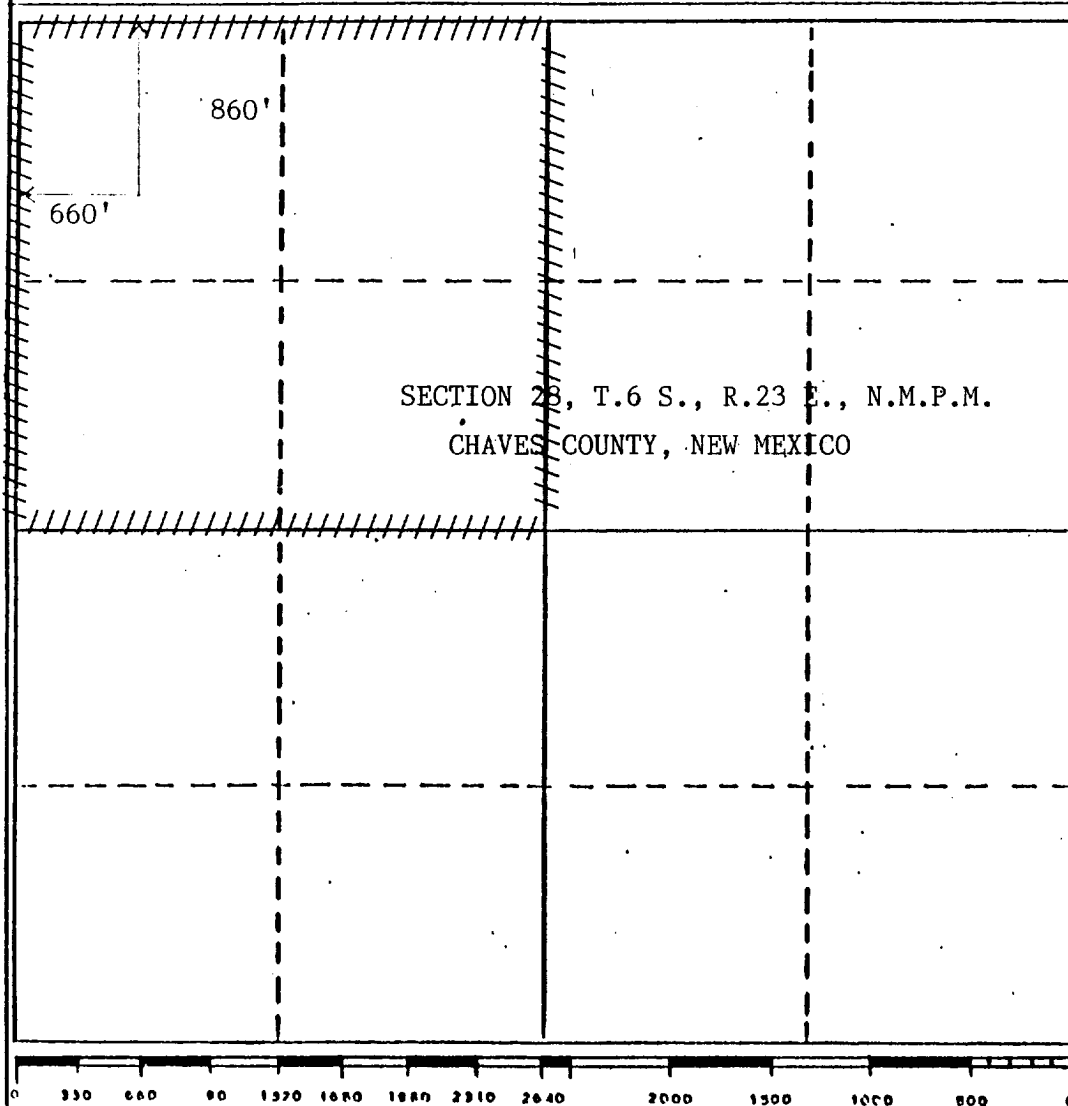
Operator MC KAY OIL CORPORATION		Lease MACHO FEDERAL		Well No. #1
Unit Letter D	Section 28	Township 6 SOUTH	Range 23 EAST	County CHAVES COUNTY
Actual Postage Location of Well: 860 feet from the NORTH line and 660 feet from the WEST line				
Ground Level Elev. 4088	Producing Formation Abo	Pool W. Pecos Slope-Abo	Dedicated Acreage 160 Acres	

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

Terry W. Franklin

Name

Terry W. Franklin

Position

Agent

Company

McKay Oil Corporation

Date

10/05/88

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.

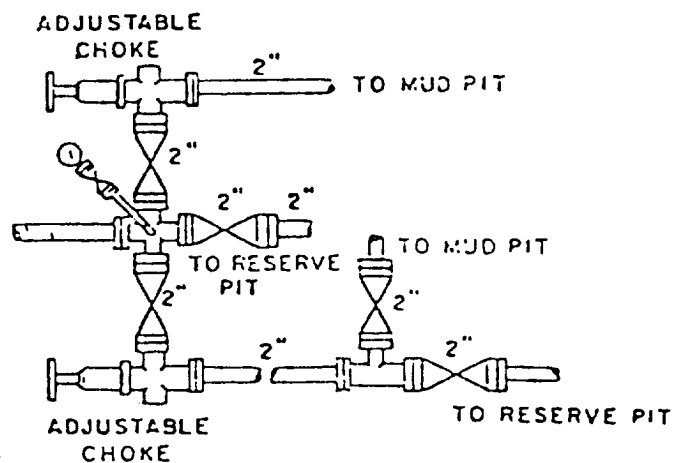
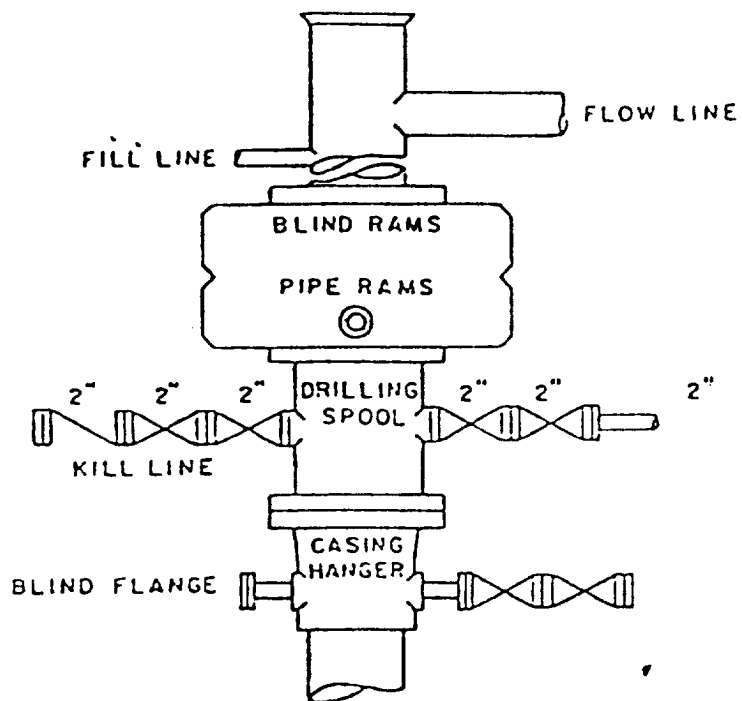
Date Surveyed

OCTOBER 1, 1988

Registered Professional Engineer and Land Surveyor

John D. Jaques

Certificate No.



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

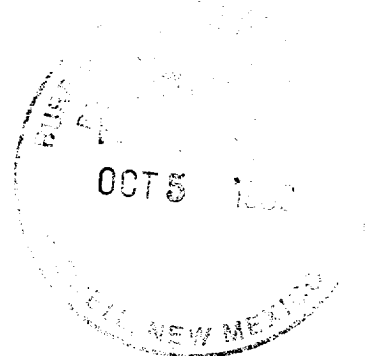
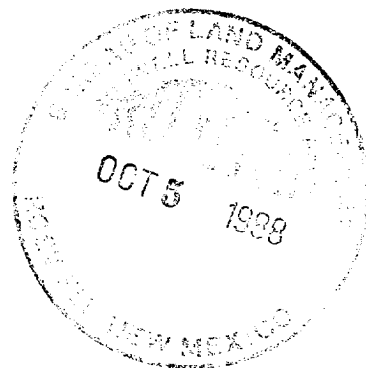


EXHIBIT 'D'
MCKAY OIL CORPORATION
Macho Federal No. 1

SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
Macho Federal No. 1
NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 28-6S-23E
Chaves County, N.M.

NM-32325



The following items supplement Form 9-331C in accordance with instructions contained in 'Onshore Oil & Gas Order' No. 1:

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

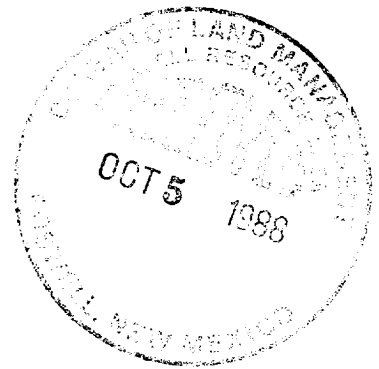
Yeso	- 428'
Tubb	- 2130'
Abo	- 2830'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 2830'
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'- 2730'	Fresh water
2730'- TD	Start mudding up at 3300'; 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 kelly cock, to fit the drill string in use, will be kept on the rig floor at all times.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated.
10. ANTICIPATED STARTING DATE: Upon approval of the Permit
to drill.
11. LOGGING : CNL-FDC, GAMMA RAY, DL-MSFL
TESTING : NONE
CORING : NONE



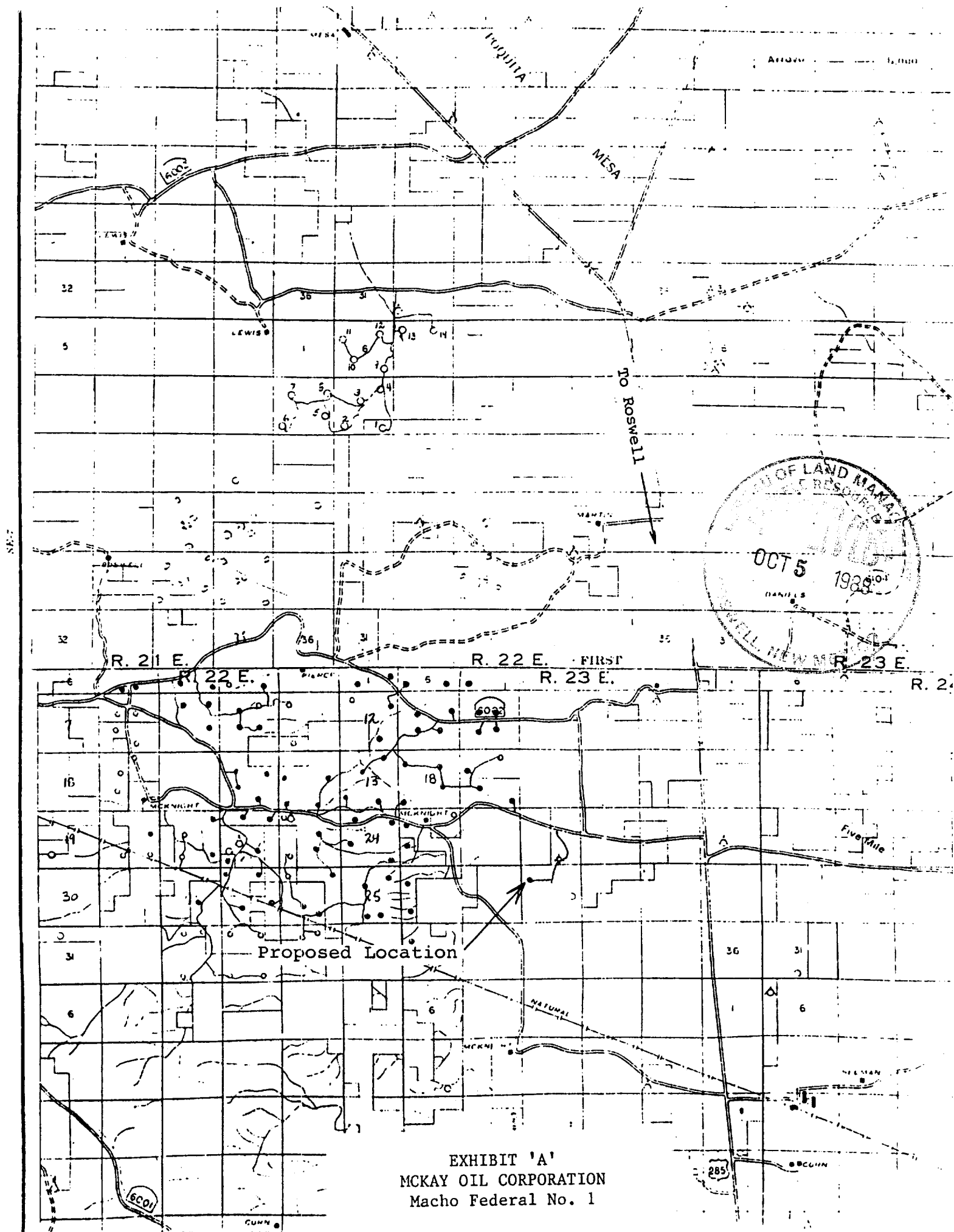


EXHIBIT 'A'
MCKAY OIL CORPORATION
Macho Federal No. 1

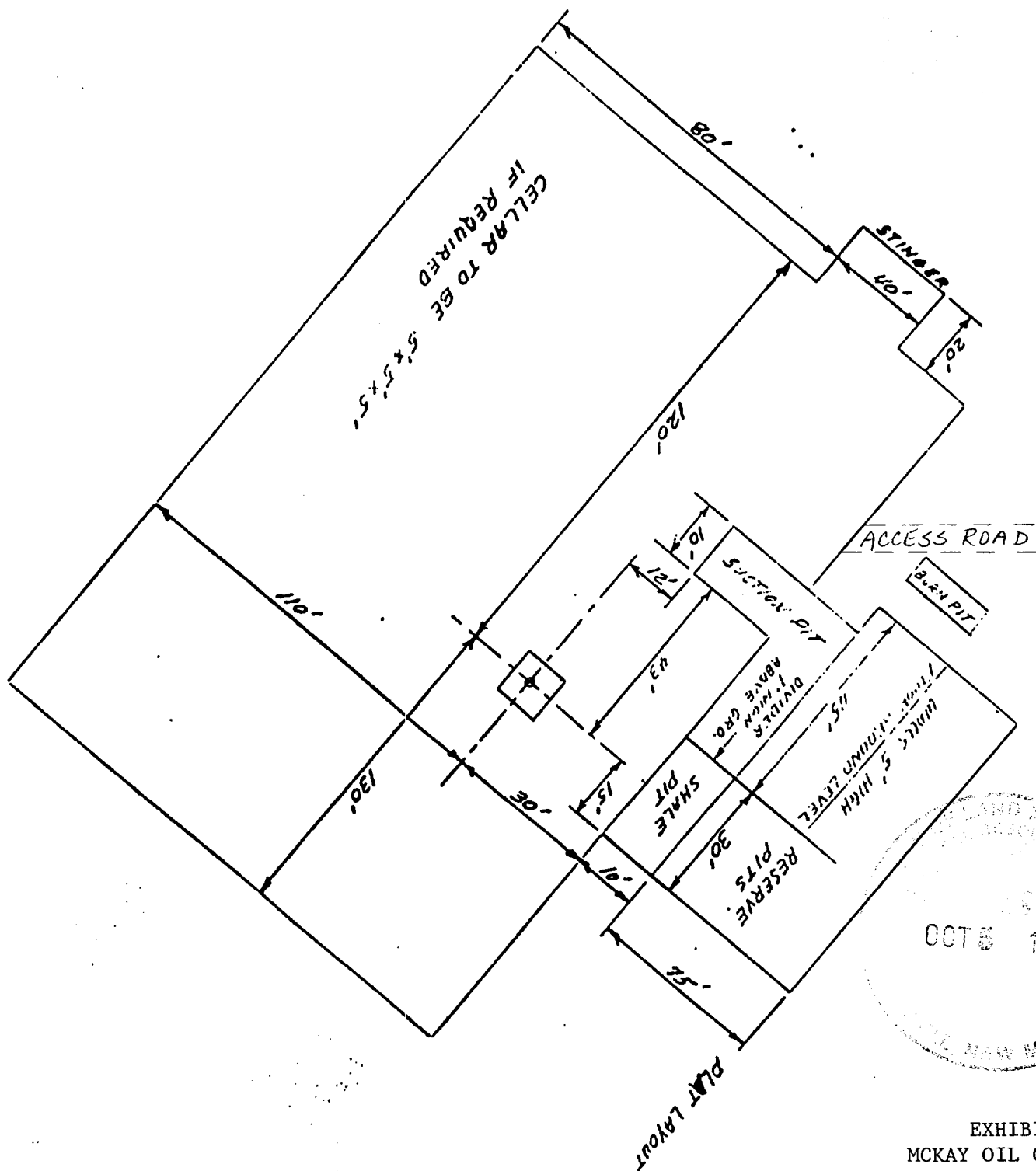


EXHIBIT 'C'
MCKAY OIL CORPORATION
Macho Federal No. 1