

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-35349
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Property Name: McKay
8. Well Number 1R
9. OGRID Number 10715
10. Pool name or Wildcat Basin Fruitland Coal, Aztec Pictured Cliffs
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,465 feet GR

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McKay Oil and Gas, LLC

3. Address of Operator
P.O. Box 14738 Albuquerque, NM 87191-4738

4. Well Location
Unit Letter N : 381 feet from the South line and 2,255 feet from the West line
Section 19 Township 29N Range 10W NMPM San Juan County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	OIL CONS. DIV DIST. 3
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Extension of Application for Permit to Drill <input checked="" type="checkbox"/>		OTHER: OCT 23 2014 <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McKay Oil and Gas, LLC (McKay) is respectfully requesting an additional 1-year extension of the approved Application for Permit to Drill (APD) McKay 1R Basin Fruitland Coal and Aztec Pictured Cliffs Gas Well. McKay's request for APD extension and delay of drilling this gas well is due to current economic conditions, specifically low natural gas prices. Attached for your information are pages 1 through 4 of the approved APD McKay 1R Well.

Final APD Extension (1) year to 1-26-2016

Spud Date: Rig Release Date:

Comply with APD conditions

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Frank Welker TITLE: Petroleum Engineer DATE: 10-21-2014
 Type or print name: Frank Welker E-mail address: frank@mckayoilandgas.com PHONE: 505.296.5508

For State Use Only

APPROVED BY: Charles TITLE: SUPERVISOR DISTRICT # 3 DATE: OCT 30 2014
 Conditions of Approval (if any): FV