

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33727
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 Red River
8. Well Number 1
9. OGRID Number 01715
10. Pool name or Wildcat Basin Fruitland Coal

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name Red River
2. Name of Operator McKay Oil & Gas LLC	8. Well Number 1
3. Address of Operator P.O. Box 14738 Albuquerque, NM 87191	9. OGRID Number 01715
4. Well Location Unit Letter <u>P</u> : <u>1185</u> feet from the <u>South</u> line and <u>890</u> feet from the <u>East</u> line Section <u>2</u> Township <u>30N</u> Range <u>12W</u> NMPM <u>San Juan</u> County	10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5724 KB	

Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

July 24, 2006 Miru Scorpion Rig #1. Spud @11am. Drill 8 3/4" hole to 140'. Ran 3 JTS 7" 20# J-55 casing to 133' KB. Cemented w 65 sacks type 5 w 3% CACL 2 w .25# SK celloflake. (76.7 Cu. Ft) Circulated 5 BBL cement to pit.

July 25, 2006 Nipple up, BOP. Pressure to 500#. Held for 30 min. Drilled 6 1/4" hole to 2280'.

July 30, 2006 Ran 58 JTS 4 1/2" 10.5# J-55 casing to 2266'. PBTB 2260'. Cemented w 200 SKS type 5 w 3% S.M. w 3# SK gilsonite, w .25# SK celloflake. (412 Cu. Ft) Tailed w 65 SKS cement type 5, w 3# SK gilsonite, w .25# SK celloflake. (78 Cu. Ft) Pumped 15 BLS cement to pit.

→ Report PT on 4 1/2" on next report

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE William J. Mayhew TITLE Gen. Mgr DATE 8/02/06

Type or print name William J. Mayhew
For State Use Only

E-mail address:

Telephone No. 505-296-5508

APPROVED BY: H. Villanueva
Conditions of Approval (if any):

DEPUTY OIL & GAS INSPECTOR, DIST. 2

TITLE

DATE

AUG 07 2006