

Revised 2/10/05

Submit 3 Copies To Appropriate District
OfficeDistrict 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 IV1220 S. St. Francis Dr., Santa Fe, NM
87505State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised June 10, 2003

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

WELL API NO.

30-005-63383

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

NM CS "B" State #1

8. Well Number

#1B

9. OGRID Number

014424

10. Pool name or Wildcat

West Pecos Abo Slope

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 Corporation

3. Address of Operator

PO Box 2014 Roswell, NM 88202-2014

4. Well Location

Unit Letter D : 860 feet from the North line and 860 feet from the West line

Section

2

Township

7S

Range

22E

NMPM

Chaves

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4173 GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOB ☒OTHER: ☐

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.

MCKAY OIL CORPORATION CEMENTED THE 8 5/8 with J-55 24 # @ 919' WITH 480 SKS KEY LITE & 350 SKS PREMIUM PLUS ON 1/26/05 @ 8:30 A.M. PLEASE SEE ATTACHED FIELD INVOICE FROM ACTUAL CEMENT JOB INCLUDING ALL PLUGS, TOC & TIME FRAME.

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

SIGNATURE Tammy Grube TITLE Production Analyst DATE 2/4/05Type or print name Tammy GrubeE-mail address: tammy@mckayoil.comTelephone No. 505-623-4735

(This space for State use)

FEB 22 2005

APPROVED BY FOR RECORDS ONLY TITLE DATE

Conditions of approval, if any:

RECEIVED

FEB 11 2005

OCD-ARTESIA

UNLOCK YOUR POTENTIAL

Pressure Pumping Services

Field Receipt

4 5/8 J-55 15 ~~54~~
NM CS ~~#~~ B.

CUSTOMER		DISTRICT		INVOICE NO.			
MCKAY OIL CORP.		MIDLAND		5512650594			
ADDRESS		RIG #		P.O. No.			
ONE MCKAY PLACE		12		n/a			
CITY, STATE, ZIP		JOB TYPE					
ROSWELL N.M. 88202		SURFACE					
WELL NAME		WELL TYPE					
GAGTUS FEDERAL COM-		GAS/OIL					
WELL NUMBER		SALESMAN	COUNTY	STATE			
# 1-B		ACKLIN	chavez	NEW MEXICO			
PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE/UNIT	GROSS AMOUNT	ITEM DISCOUNT	NET AMOUNT
CA0243	CDF-1L, Defoamer	gal	5	55	\$275.00	55.00%	\$123.75
CMT142	Key Lite with Premium Plus Midland	sk	480	16	\$7,680.00	55.00%	\$3,456.00
ca0101	Calcium Chloride	lb	1128	0.95	\$1,071.60	55.00%	\$482.22
CA0182	Celloflake	lb	120	3	\$360.00	55.00%	\$162.00
CMT003	Premium Plus Cement, Midland, 94 lbs.	sk	350	15	\$5,250.00	55.00%	\$2,362.50
CPC034	Depth Charge; 1001'-1500'	4 hrs	1	2100	\$2,100.00	55.00%	\$945.00
CM0002	Pump Truck/Heavy Equipment Mileage Charge	mi	230	6	\$1,380.00	55.00%	\$621.00
CMT200	Blending Charge	cu ft	816	2.6	\$2,121.60	55.00%	\$954.72
CM0003	Cement Delivery Charge	tm	9195	2.25	\$20,688.75	55.00%	\$9,309.94
FE471	Swedge , 6 5/8" - 13 3/8" with valve	job	1	250	\$250.00	55.00%	\$112.50
FE461	Cementing head with manifold, 6 5/8"-10 3/4"	job	1	300	\$300.00	55.00%	\$135.00
FE004	8 5/8" Rubber Plug, Top	ea	1	190	\$190.00	55.00%	\$85.50
CPM012	Environmental Fee	ea	1	150	\$150.00	55.00%	\$67.50
CM0001	Pickup MileageCharge	mi	230	3.15	\$724.50	55.00%	\$326.03
CPM002	Additional hours, per cement pump/hr	hr	16	350	\$5,600.00	55.00%	\$2,520.00
CPM009	Additional hours, per bulk unit/hr	hr	16	80	\$1,280.00	55.00%	\$576.00
8AM - 12 PM = 4 HRS. PUMP CHARGE 1-26-05							
12PM - 12 PM = 24 HRS.							
12 PM - 8 PM = 8 HRS 1-27-05							
TOAL HRS = 32 HRS EA.							
MINUS HALF THE HRS = 16 HRS. ON PUMP							
= 16 HRS ON BULK UNIT							
				Gross	\$49,421.45	Net	\$22,239.65
TERMS: Cash in advance unless KPSS has approved credit prior to sale. Credit terms of sale for approved accounts are total invoice due on or before the 30th day from the date of invoice. Past due accounts may pay interest on the balance past due at the rate of 1 1/4% per month or the maximum allowable by applicable state or federal laws if such laws limit interest to a lesser amount. In the event it is necessary to employ an agency and/or attorney to affect the collection of said account, Customer hereby agrees to pay all fees directly or indirectly incurred for such collection. In the event that Customer's account with KPSS becomes delinquent, KPSS has the right to revoke any and all discounts previously applied in arriving at net invoice price. Upon revocation, the full invoice price without discount will become immediately due and owing and subject to collection.		CUSTOMER AUTHORIZED AGENT		CUSTOMER REP. HUMBERTO PEREZ / TIM COLIER			
				AMERICAN ENERGY REP. HECTOR HERNANDEZ			
				DATE January 26, 2005			
SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH TERMS AND CONDITIONS (INCLUDING INDEMNIFICATION OBLIGATIONS) LISTED HERE OR IN THE CUSTOMER CONTRACT FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.							



100-443887-1

Date: 26-Jan-05 District: MIDLAND Job No: 5512650594 Customer: MCKAY OIL CORP.
Well: CACTUS FEDERAL CO. Lease: # 1-B NYMS Field: 0-Jan Location:
County: chavez State: NEW MEXICO

TREATMENT DATA

[illegible]



UNLOCK YOUR POTENTIAL

Cement Report

Date: 26-Jan-05 District: MIDLAND Job No: 5512650594 Customer: MCKAY OIL CORP.
 Well: ~~CACTUS FEDERAL 00M~~ Lease: # 1-B Field: 0-Jan Salesman: ACKLIN
 County: chavez State: NEW MEXICO

WELL DATA		<input type="checkbox"/> Surface	<input type="checkbox"/> Intermediate	<input checked="" type="checkbox"/> Long String	<input type="checkbox"/> Squeeze	<input type="checkbox"/> Plug/Whipstock	CAPACITIES
Tubing Size:	0	Depth:	0 ft.	BH Static Temp:	n/a	Tubing(bbls/ft):	
Tubing Wt:	n/a			BH Circ. Temp:	n/a	Casing(bbls/ft):	0.0636
Casing Size:	8 5/8	Depth:	928 ft.	Plug Set At:	n/a	Annulas(bbls/ft):	
Casing Wt:	24			Plug Set At:	n/a		
Packer/DV:	n/a	Set At:	0'	Plug Set At:	n/a		
Hole Size	12 1/4			Plug Set At:	n/a		

FLUID DATA					
Fluid	No. Sacks	Cement	Wt. (lbs/gal)	Vol. (bbls)	Additives or Description
Scavenger					
Lead Slurry	350	KEY LITE	13.00	118 bbls	PREMIUM PLUS, 2% CACL 1/4# C.F.
Tail Slurry	130	KEY LITE	13.70	38 bbls	PREMIUM PLUS, 2% CACL 1/4# C.F.
Displacement	FW				
TOP OUT	350	PREM.PLUS	14.80	82 BBLs	2% CACL

TREATMENT DATA						
Time AM / PM	Surface Treating Pressure (psi)		Slurry Rate (bpm)	Stage & Total bbls. Pumped		Comments
	Pipe	Annulus		Stage	Total	
8:30 AM					0	ON LOCATION / SPOT EQUIPMENT
					0	SAFETY MEETING
9:00					0	RIG UP ON GROUND
					0	rig running csng
10:00					0	RIG UP ON FLOOR
10:50	50		5.0	60	60	START WATER AHEAD
11:00	50		5.0	118	178	START LEAD CEMENT
11:23	50		5.0	38	216	SWITCH TO TAIL CEMENT
11:30					216	S/D & DROP PLUG
11:32	0		6.0	0	216	START DISPLACEMENT
11:40	50		6.0	46	262	SLOW DOWN TO LAND PLUG
11:45	500		3.0	10	272	LAND PLUG 500# OVER & S/D
					272	CHECK FLOAT & HELD
					272	WAIT ON TEMP. SURVEY
8:00 PM					272	TEMP. SURVEY SHOWED TOP OF CEMENT AT 570'
8:00 PM					272	RIG CREW WAS GETTING READY TO RUN 1"
					272	RIG WENT TO REMOVE LANDING JOINT & CSNG BROKE AT 2 JOINTS
					272	DOWN SO HAD TO LATCH BACK ON TO CSNG BELOW
4:00 AM					272	STARTED TO RUN 1"
4:15	0		1.5	12	284	MIX & PUMP 50 SKS PREM.PLUS W/ 2% CACL AT 14.8#
4:30					284	S/D & WASH UP TO PIT
					284	WOC

Minimum STP (psi) _____ Maximum: _____ Average: 0 psi
 Minimum Rate (bpm) _____ Maximum: _____ Average: 0 bbls
 ISDP: _____ Operator's Max Pressure: _____

Customer Rep: HUMBERTO PEREZ / TIM COLIER KEPPS Rep: HECTOR HERNANDEZ