Revised 2/10/05

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

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

Form C-103
Revised June 10, 2003

WELL API NO.
30-005-63663

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
NM 91498

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.)

7. Lease Name or Unit Agreement Name
Cactus Com Fed #7

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

8. Well Number
#7

2. Name of Operator
McKay Oil Corporation

9. OGRID Number
014424

3. Address of Operator
PO Box 2014 Roswell, NM 88202-2014

10. Pool name or Wildcat
West Pecos Abo Slope

4. Well Location

Unit Letter O : 660 feet from the South line and 2310 feet from the East line

Section 35 Township 6S Range 22E NMPM Chaves County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
4153 GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS.	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB X	
OTHER: ☐		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 5 ½ CASING WITH J-55, 15.5# AT 3193' WITH 300 SKS PREMIUM PLUS 2% CACL ON THURSDAY, JANUARY 20, 2004. PLEASE SEE ATTACHED FIELD INVOICE FROM ACTUAL CEMENT JOB INCLUDING ALL PLUGS, TOC AND 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: 1/28/2005

Type or print name Tammy Grube E-mail address: tammy@mckayoil.com Telephone No. 505-623-4735

(This space for State use)

APPPROVED BY FOR RECORDS ONLY TITLE DATE FEB 22 2005

Conditions of approval, if any:

RECEIVED
FEB 11 2005
OCD-ARTESIA

Key
UNLOCK YOUR POTENTIAL

Cement Report

Date:	20-Jan-05	District:	MIDLAND	Job No:	5512650573	Customer:	MCKAY OIL CORP.
Well:	CACTUS FEDERAL COM	Lease:	# 7	Field:	0-Jan	Salesman:	ACKLIN
County:	CHAVES	State:	NEW MEXICO				

WELL DATA

☐ Surface ☐ Intermediate ☑ Long String ☐ Squeeze ☐ 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):	0.0239
Casing Size:	5 1/2 ✓	Depth:	3193 ft.	Plug Set At:	n/a	Annulas(bbls/ft):	
Casing Wt:	n/a			Plug Set At:	n/a		
Packer/DV:	n/a	Set At:	0'	Plug Set At:	n/a		
Hole Size	7 7/8			Plug Set At:	n/a		

FLUID DATA

Fluid	No. Sacks	Cement	Wt. (lbs/gal)	Vol. (bbls)	Additives or Description
Scavenger					
Lead Slurry					
Tail Slurry	300 ✓	PREM PLUS	14.8#	71 bbls	2%CACL
Displacement	FW			76 bbls	
Preflush					

TREATMENT DATA

Time AM / PM	Surface Treating Pressure (psi)		Slurry Rate (bpm)	Stage & Total bbls. Pumped		
AM	Pipe	Annulus		Stage	Total	Comments
2:00					0	ON LOCATION / SPOT EQUIPMENT
					0	SAFETY MEETING
					0	RIG UP ON GROUND
2:00					0	JUST FINISHED LOGGING
					0	START RUNNING CSNG
5:00					0	RIG UP ON FLOOR
					0	RIG CIRCULATE 15 MIN.
9:35	0-500		5.0	10	10	START WATER AHEAD
9:38	500		6.0	71	81	START CEMENT
9:46	0				81	S/D
9:47	0		4.0	10	91	WASH UP TO PIT
9:50	0				91	DROP PLUG
9:52	0-400		6.0	0	91	START DISPLACEMENT
10:03	600		3.0	65	156	SLOW DOWN TO LAND PLUG
10:05	1,100		3.0	10	166	LAND PLUG 500# OVER & S/D
					166	CHECK FLOAT & HELD
					166	
					166	
					166	
					166	
					166	
					166	

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

Customer Rep: HUMBERTO PEREZ KEPPS Rep: OSCAR BAEZA / H.H.

RECEIVED
FEB 11 2005
OCD-ARTESIA

UNLOCK YOUR POTENTIAL

Pro Pumping Services

Field Receipt

Customer	MCKAY OIL CORP.	District: MIDLAND	Invoice No.: 5512650573
Address	ONE MCKAY PLACE	RIG #: 12	P.O. No.: n/a
City, State, Zip	ROSWELL N.M. 88202	Job Type: L.S.	
Well Name	CACTUS FEDERAL COM	Well Type: GAS/OIL	
Well Number	# 7	Salesman: ACKLIN	County: CHAVES — State: NEW MEXICO

Product Code	Description	Unit of Measure	Quanity	List Price/Unit	Gross Amount	Item Discount	Net Amount
CPC038	Depth Charge; 3001'-3500'	4 hrs	1	2600	$2,600.00	55.00%	$1,170.00
CM0001	Pickup MileageCharge	mi	230	3.15	$724.50	55.00%	$326.03
CM0002	Pump Truck/Heavy Equipment Mileage Charge	mi	230	6	$1,380.00	55.00%	$621.00
CM0003	Cement Delivery Charge	tm	3309	2.25	$7,445.25	55.00%	$3,350.36
CPM002	Additional hours, per cement pump/hr	hr	3	350	$1,050.00	55.00%	$472.50
CPM009	Additional hours, per bulk unit/hr	hr	3	80	$240.00	55.00%	$108.00
CPM012	Environmental Fee	ea	1	150	$150.00	55.00%	$67.50
CMT003	Premium Plus Cement, Midland, 94 lbs.	sk	300	15	$4,500.00	55.00%	$2,025.00
CMT200	Blending Charge	cu ft	310	2.6	$806.00	55.00%	$362.70
ca0101	Calcium Chloride	lb	564	0.95	$535.80	55.00%	$241.11
FE470	Swedge, 2 3/8" - 5 1/2" with valve	job	1	150	$150.00	55.00%	$67.50
CA0243	CDF-1L, Defoamer	gal	2	55	$110.00	55.00%	$49.50
FE002	5 1/2" Rubber Plug, Top	ea	1	95	$95.00	55.00%	$42.75
FE460	Cementing head with manifold, 2 3/8"-5 1/2"	job	1	200	$200.00	55.00%	$90.00
				Gross	$19,986.55	Net	$8,993.95

TERMS: Cash in advance unless KPPS 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 ½% 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 KPPS becomes delinquent, KPPS 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

American Energy Rep.: OSCAR BAEZA / H.H.

Date: January 20, 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.

Uniform Printing & Stationery Inc.
Form No. 176

HUGHES SERVICES, INC.

Phone (505) 677-3113 / Artesia Answ. Serv. (505) 746-4302
Post Office Box 68 / Loco Hills, New Mexico 88255

TREATMENT REPORT

Date 2-5-04 Lease CACTUS FED Well No. 7
Field Pecos Slope ABO County CHAVES State N.M.

WELL DATA:
Size Tubing 2 3/8 Tubing Perf. ____ Type Packer ____ Set At 2220
Size Casing 5½ Wt. 17 Set From Surface To BBP 2350 Size Liner ____
Liner Set From ____ To ____ Open Hole: Size ____ From ____ To ____
Casing Perforations: Size ____ Holes Per Foot ____ (16) Intervals 2267-2278
Previous Treatment ____ Prior Production ____

TREATMENT DATA: Pad Used: Yes ✓ No ____ Pad Type 5% KCL
Treating Fluid Type: Oil ____ Water ____ Acid ✓ Misc ____ Foam ____ Emulsion ____
Treating Fluid Volume Gals. 1500 Fluid Description 15% NEFE
Ball Sealers: 8 16 In 8 Stages of 2
Auxiliary Materials ____
Procedure ____

FLUID PUMPED AND CAPACITIES IN BBLS

Tubing Cap.	10.5
Casing Cap.	1.3 Bottom
Annular Cap.	48.4
Open Hole Cap.	—
Fluid to Load	2
Pad Volume	2
Treating Fluid	36
Flush	12
Overflush	—
Total to Recover	50

Time AM / PM	Treating Pressure-Psi Tubing	Casing	Barrels Fluid Pumped	Inj. Rate B.P.M.	REMARKS
9:26	0			2	START Pump TO Load TBG
9:29	2500		2.0		SHUT DOWN RBP OK
9:37					START Break Down
9:37½	3980				Formation Broke BACK TO 1400
9:38	2030			4.0	Rate
9:39	2000		1	4.0	SHUT Down after By Bbls
9:43	0			2.0	START Pump To Back Circulation
9:41	250		11	2.0	SHUT Down
9:49	250			3.0	START Acid + Balls
9:53	250				SHUT Down Close By Bbls
9:54	1600			3.0	Rate
9:55	1900			4.0	Rate
9:56	1000			1.0	Lost suction hose on Pump
9:58	960			1.0	SHUT Down Reset Packer close csg
10:04	930			.5	Resume Acid
10:30	930		36	1.0	START Flush
10:43	950		12	1.0	SHUT Down

Treating Pressure: Min. 930 Max. 2030 Avg 1345 Customer Representative Mr. Hanks Pope
Inj. Rate on Treating Fluid 2.2 Rate on Flush 1.0
Avg. Inj. Rate 1.9 I. S. D. P. 980 Flush Dens. lb/gal ____ Disinfection ____
Final Shut-in Pressure 680 in 15 Minutes 5 min - 800 #
Operator's Maximum Pressure 4020 10 min 730 #

Job Number 7484

TERMS: NET CASH

7484

HUGHES SERVICES, INC.

(505) 677-3113 / Artesia, Answ. Serv. 746-4302
Post Office Box 68 / Loco Hills, N.M. 88255

Date 3-5 05

Sold To McKay Oil Corp Customer's Order No.

Address Lease Cactus Fed

County Chaves Well No. 7

It is agreed as a part of the consideration hereof, HUGHES HOT OIL SERVICE, INC. is to treat or service said well as herein ordered, at owners risk, and is not to be liable for any damage that may accrue in connection with said treatment or services. No representations, expressed or implied, have been made, and none have been relied on, as to what may be the effect or results of the treating or service of said well. The consideration of said treatment or services is payable at Loco Hills, New Mexico, on or before the 20th of the following month. No discount allowed. The undersigned represents that he is duly authorized to sign this order for well owner.

#25

Service Operator [illegible] Well Owner or Agent [illegible]

Code	Service or Product	Unit Price	Total
	1600 gal 10% HCl NF	.70	1140.00
	3 gal NE	22.00	66.00
	7½ gal FE	18.00	135.00
	3 gal Corrosion Inhibitor	29.00	87.00
	16 ea Ball Sealers	1.72	27.52
	1 ea Ball Injector	135.00	135.00
	90 miles 1 unit	2.40	216.00
	1 ea Pump charge	500.00	400.00
	Truck adj.		51.20
			[illegible]
	Tax		[illegible]
	Total		2313.33
	Treble Amt 1219.[illegible]		

Time Leave Yard
Time Arrive Job
Time Lunch Break To
Time Leave Job
Hours Chargeable

W/S 1/28/05

HUGHES SERVICES, INC.

Phone (505) 677-3113 / Artesia Answ. Serv. (505) 746-4302
Post Office Box 68 / Loco Hills, New Mexico 88255

TREATMENT REPORT

Date 1-25-05 Lease Cactus Fed Well No. 7
Field Pecos Slope ABO County Chaves State N.M.

WELL DATA:
Size Tubing 2 3/8 Tubing Perf — Type Packer Arrow Set At 3072
Size Casing 5 1/2 Wt. Set From Surface To Size Liner —
Liner Set From — To — Open Hole: Size — From — To —
Casing Perforations: Size Holes Per Foot 4 (16) Intervals 3129-3132
Previous Treatment Prior Production

TREATMENT DATA: Pad Used: Yes ✓ No Pad Type 3% KCL
Treating Fluid Type: Oil Water Acid ✓ Misc Foam Emulsion
Treating Fluid Volume Gals. 700 Fluid Description 15% NEFE
Ball Sealers: 32 In 8 Stages of 4
Auxiliary Materials
Procedure

FLUID PUMPED AND CAPACITIES IN BBLS	
Tubing Cap	11.7
Casing Cap	2.4 Bots
Annular Cap	53.9
Open Hole Cap	—
Fluid to Load	0
Pad Volume	12
Treating Fluid	17
Flush	14
Overflush	—
Total to Recover	43

Time AM PM	Treating Pressure Psi Tubing	Casing	Barrels Fluid Pumped	Inj Rate B.P.M.	REMARKS
11:03	0	open	15	1.0	Start Acid to Pickle
11:18	0	"		1.0	Start Flush
11:28	200	"	12	2.0	Slow Down Increase Rate
11:57	220	"	58	2.0	Shut Down All Acid Back
11:58	3000				Test CSG
11:59					ok Bleed off Pressure TOH
					Start Reg To Load Hole & Press. For Bond Log
					Shut Down too Bold Left Over night
					11-26-05
11:19					Start Break Down
11:20	2300				Formation Broke Back To 1750 Ecchale
11:21	2000		1	3.0	Shut Down
11:22	2200		17	4.0	Start Acid & Balls
11:24	2350				Balls on
11:27	2950				Balls on
11:27	2950				Start Flush
11:27 1/2	3600				Shut Down Ball off Surge Balls
11:32	1350				Resume Flush
11:35	2400		14	4.0	Shut Down All Flush In

Treating Pressure: Min 1750 Max. 3600 Avg. 2300 Customer Representative Mr. Humberto Paz
Inj. Rate on Treating Fluid 4.0 Rate on Flush 4.0
Avg. Inj. Rate 4.0 I.S.D.P. 1510 Flush Dens. lb/gal Distribution
Final Shut-in Pressure 1210 in 15 Minutes 5 Min 1370
Operator's Maximum Pressure 4000 10 Min 1380

Job Number 7478