

N.M. Oil Cons. Div-Dist. 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1601 W. Grand Avenue
Albuquerque, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

NM-32308

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

LL & E B FEDERAL #2

9. API Well No.

30-005-63794

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name Of Operator

MCKAY OIL CORPORATION

3a. Address

P.O. BOX 2014 ROSWELL, NM 88202-

3b. Phone No. (include area code)

505-623-4735

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FNL, & 1980' FEL, UNIT G, SEC 12, T6S, R22E

RECEIVED

MAR 23 2006

BLM-ARTERIA

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | 1) SPUD |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | 2) 8-5/8" CASING |

13. Described Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1) MCKAY OIL CORPORATION spudded the LL & E B Federal #2 at 6:00am on 3/11/06.

2) TD of Casing @ 1043' on 3/13/06 @ 5:30am. Ran 1043' of 8-5/8" 24#, K-55 casing. Rig up cementers. Pump 600sks Class "C" w/2%KCL cement. Ran temp survey, tagged @ 600'. 1" to surface w/336sks Class "C" w/2% calcium chloride. WOC 18-hrs. Casing pressure tested to 500psi - 30 min/test good.

3) Witnessed by Eddie Fitzpatrick/BLM.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CAROL SHANKS

Title

PRODUCTION ANALYST

Signature

Carol Shanks

Date

3/20/2006

ACCEPTED FOR RECORD SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ORIG. SGD.) DAVID R. GLASS

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001. Whoever knowingly and willfully makes to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)