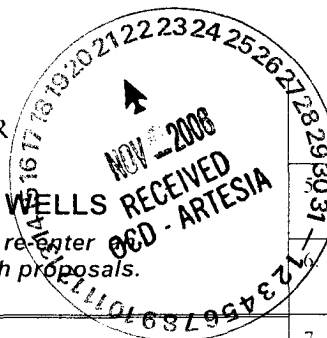


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.*



Please Serial No.

LC-068132

If Indian, Allottee or Tribe Name

**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 88202-2014

3b. Phone No. (include area code)

505-623-4735

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

660' FWL & 1780' FSL, Unit L, SEC 34, T6S, R26E

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

8. Well Name and No.

Cottonwood Fed Com #1

9. API Well No.

30-005-62654

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

**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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomplete 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 recompletion 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.)

MCKAY OIL CORPORATION had work-over unit on location 2/24/06. Not able to rig up due to mechanical breakdown. Riggged up Tuesday, 2/28/06. Found hole in casing @ 1600'.

07/07/06 Workover commenced, deadman delivered to location. Swabbing started 7/07/06 thru 07/19/06. Mechanical breakdown 7/20/06 and parts ordered. Equipment repaired and workover's commenced 09/12/06. Equipment breakdown 09/15/06 thru 09/28/06. Swabbing from 09/29/06 thru current. Well has produced approximately 5MCF since swabbing began 7/07/06. Plans are to continue with workover operations till well producing. W/O directive from management operations to proceed with more extensive operations.

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

Name (Printed/Typed)

CAROL SHANKS

Signature

Title

PRODUCTION ANALYST

Date

11/14/06

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

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, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.