

McKay Oil Corporation

Roy L. McKay, President

Mailing Address: P.O. Box 2014 * Roswell, NM 88202 * Telephone 575 / 623 - 4735
Street Address: One McKay Place * Roswell, NM 88201 * Fax No. 575 / 624 - 2202OIL
&
GAS

September 11, 2008

Oil Conservation Division
Mr. Mike Bratcher
Artesia Field Office
1301 W. Grand Avenue
Artesia, NM 88210RE: Lookout C Federal #8
API: 30-005-64041
SEC9, T6S, R22E
LEASE: NM-36192

A reserve pit was approved for 50' X 60' X 8' dimensions. A sundry notice of intent was submitted to BLM on 9/5/08 to amend with the following variance: extend pit to 60' X 60' X 8'.

On Thursday, September 11, 2008, excavation commenced for the pit when hard rock was encountered at a depth between 4' and 6' on east side. Operator desires to amend the APD to provide for the following variances: Modify reserve pit dimensions from 60' X 60' X 8' to 60' X 80' X 4'-6'.

Please contact this office should you have questions or require further documentation.

Sincerely,

Carol Shanks
Production Analyst
(575) 623-4735cc: BLM/Roswell Field Office
Attachment

Ⓢ Note: Verbal approval given
pending like approval from BLM

M. L. Bratcher
NMCD Dist. II

SEP 12 2008

Verbal
approval
received
from
Mike Bratcher
w/OCB - 9/11/08
cs

MCKAY OIL CORPORATION – LOOKOUT C FED #8
990' FEL & 2310' FNL, SE¼NE¼, Unit H, SEC9, T6S, R22E
API: 30-005-64041

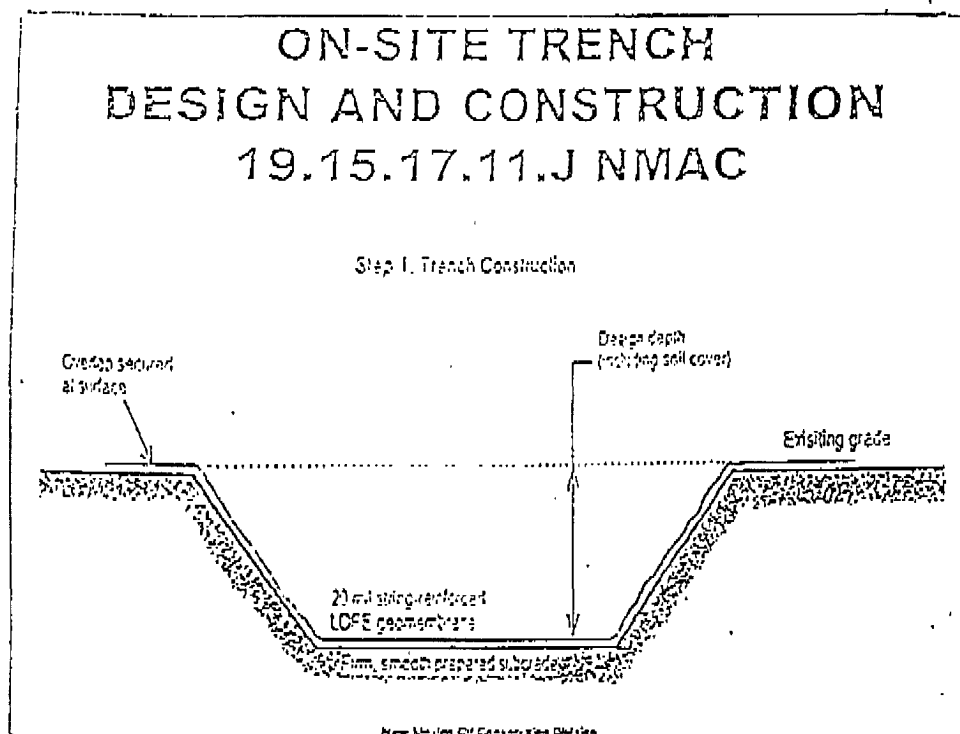
McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202

PIT DESIGN AND CONSTRUCTION SPECIFICATIONS (19.15.17.11)

*Pit Amendment (9/11/08)

General Specifications

1. Any topsoil, which can sustain plant vegetation, will be bladed and piled for future rehabilitation.
2. The location slopes very slightly from the west to the east. Due to hard rock, pit will be dug to 6' depth on northeast corner and taper to 4' depth on the northwest corner.
3. The 60' X 80' pit shall be constructed and maintained so that runoff water from outside the location is not allowed to enter the pit. The berms surrounding the entire perimeter of the pit shall extend a minimum of two (2) feet above ground level. At no time will standing fluids in the pit be allowed to rise above ground level.
4. Pit will be properly constructed on firm unyielding base, free of large rocks, debris and sharp edges to support all liquids and prevent tears.
5. A 20 MIL, low linear density polyethylene (LLDPE), string-reinforced liner, with factory-welded seams will be placed on excavated ground bed by qualified a qualified backhoe service. Liner will be large enough to reduce stress-strain on the liner.
6. Anchor trench will be 18" deep and all edges anchored securely.
7. A four foot high, four-stranded barbed wire fence, evenly spaced between 4', will be erected around 3 sides on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.
8. A well sign has been placed at entrance of facility, thus Operator is exempt from placing an additional sign on location, per Rule 103, 19.15.3.103, NMAC:



Mckay Oil Corporation
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SEC 9, T6S, R22E

*Access
Point*

