

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. GRAND, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-101  
Revised March 17, 1999

RECEIVED

FEB 23 2004

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

OCD-ARTESIA

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address MCKAY OIL CORPORATION P.O. BOX 2014 ROSWELL, NM 88202-2014		<sup>2</sup> OGRID Number 014424
		<sup>3</sup> API Number 30-005-63643
<sup>3</sup> Property Code	<sup>5</sup> Property Name TANNER FEE COM #1	<sup>6</sup> Well No 1.

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	6S	22E		2310'	FNL	660'	FWL	CHAVES

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	Nr	nty
<sup>9</sup> Proposed Pool 1 WEST PECOS SLOPE ABO						NOTIFY OCD SPUD & TIME TO WITNESS 8 5/8" CASING	

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary ROTARY	<sup>14</sup> Lease Type Code F	<sup>15</sup> Ground Level Elevation 4155'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 3200'	<sup>18</sup> Formation ABO	<sup>19</sup> Contractor UNITED DRILLING	<sup>20</sup> Spud Date APRIL 2004

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	23# X-42	950+	750+	Surface
7 7/8	5 1/2	15.5# J-55	TD	1200+	1500' to 800'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

MCKAY OIL CORPORATION PROPOSES TO DRILL AND TEST THE ABO FORMATION, APPROXIMATELY 950' OF SURFACE CASING WILL BE SET AND CEMENTED TO SURFACE. IF COMMERCIAL, 5 1/2" PRODUCTION CASING WILL BE RUN AND CEMENTED WITH ADEQUATE COVER, PERFORATED AND STIMULATED AS NEEDED FOR PRODUCTION.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief Signature: <i>April D. McKay</i> Printed name: APRIL D. MCKAY Title: VICE PRESIDENT Date: 2/19/04		<i>[Signature]</i> OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> Title: <i>District Supervisor</i> Approval Date: FEB 24 2004 Expiration Date: FEB 24 2005 Conditions of Approval: Attached <input type="checkbox"/>	
Phone: 505-623-4735			

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	TANNER FEE COM	1
OGRID No.	Operator Name	Elevation
	McKAY OIL CORPORATION	4155

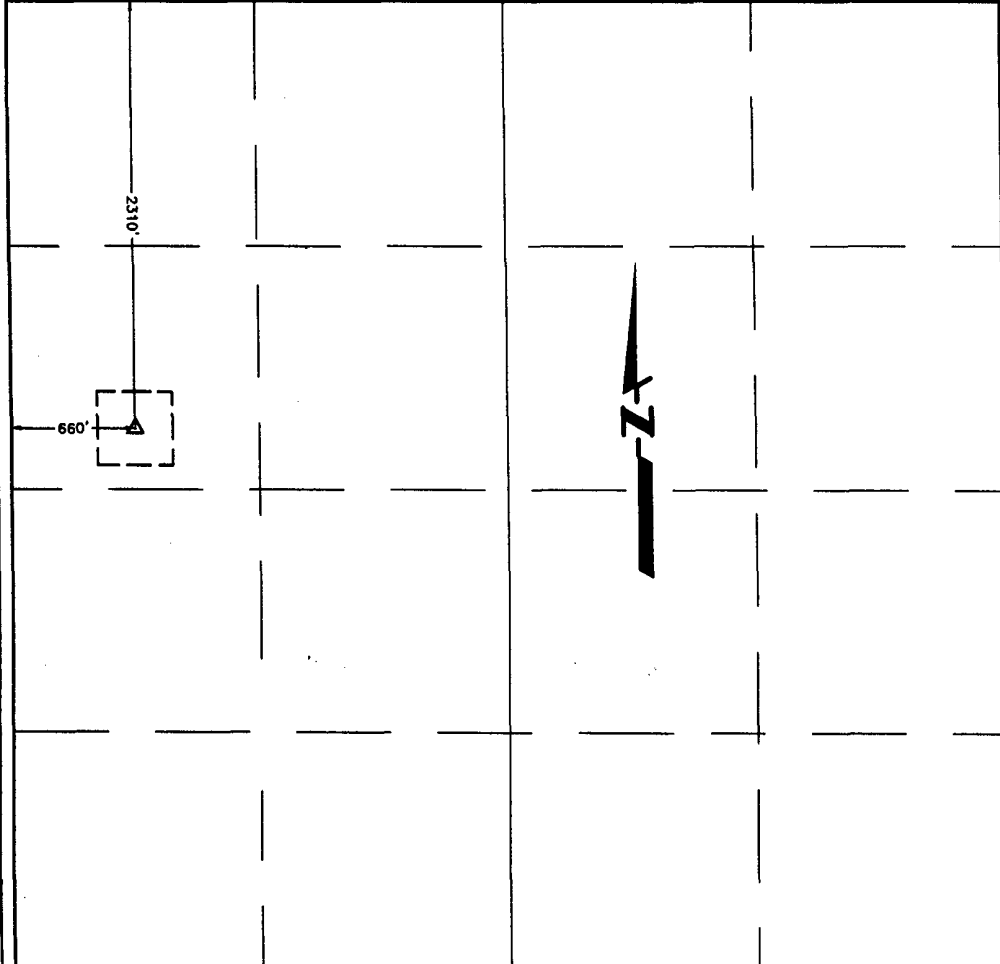
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	6 S	22 E		2310	NORTH	660	WEST	CHAVES

Bottom Hole Location If Different From Surface

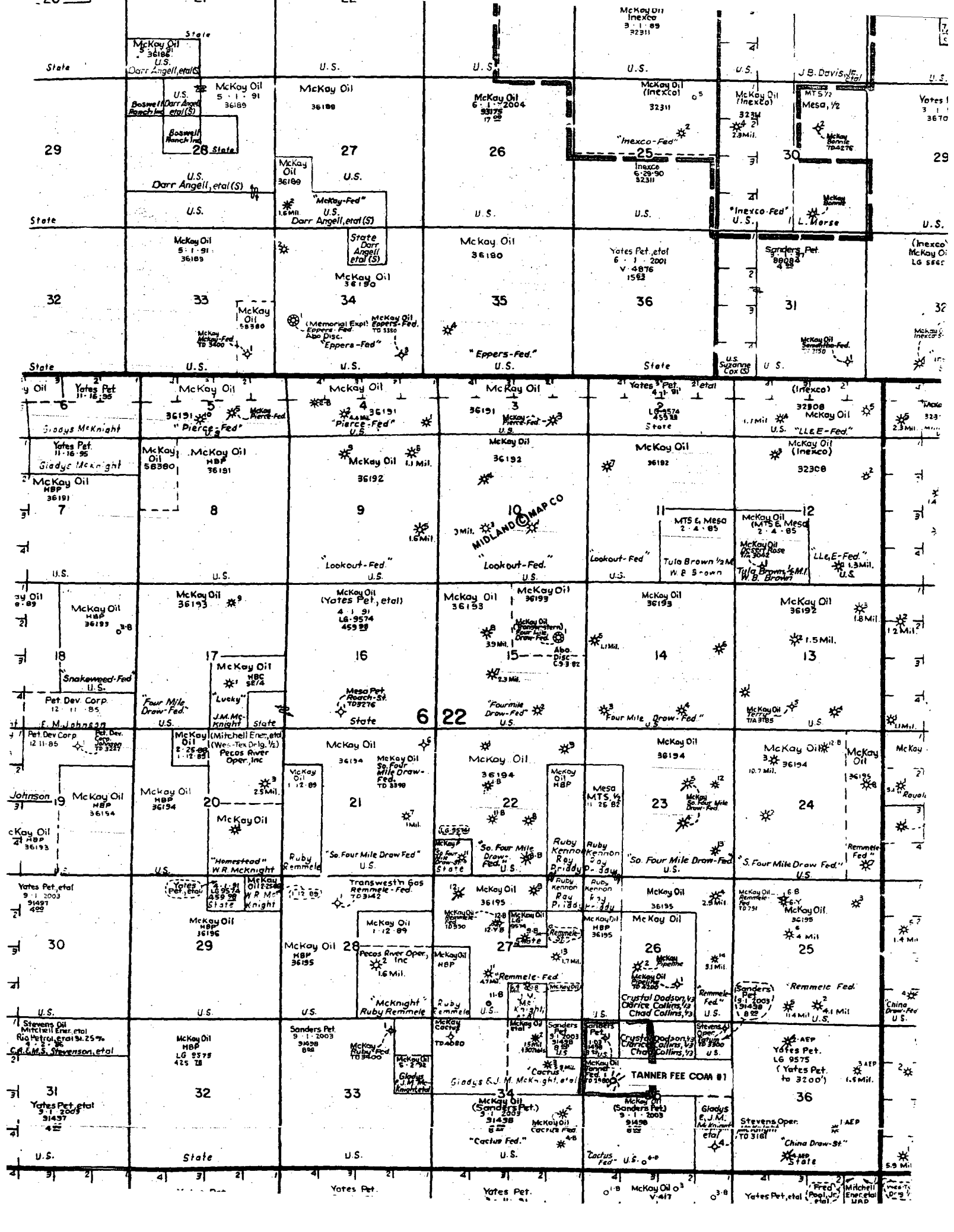
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

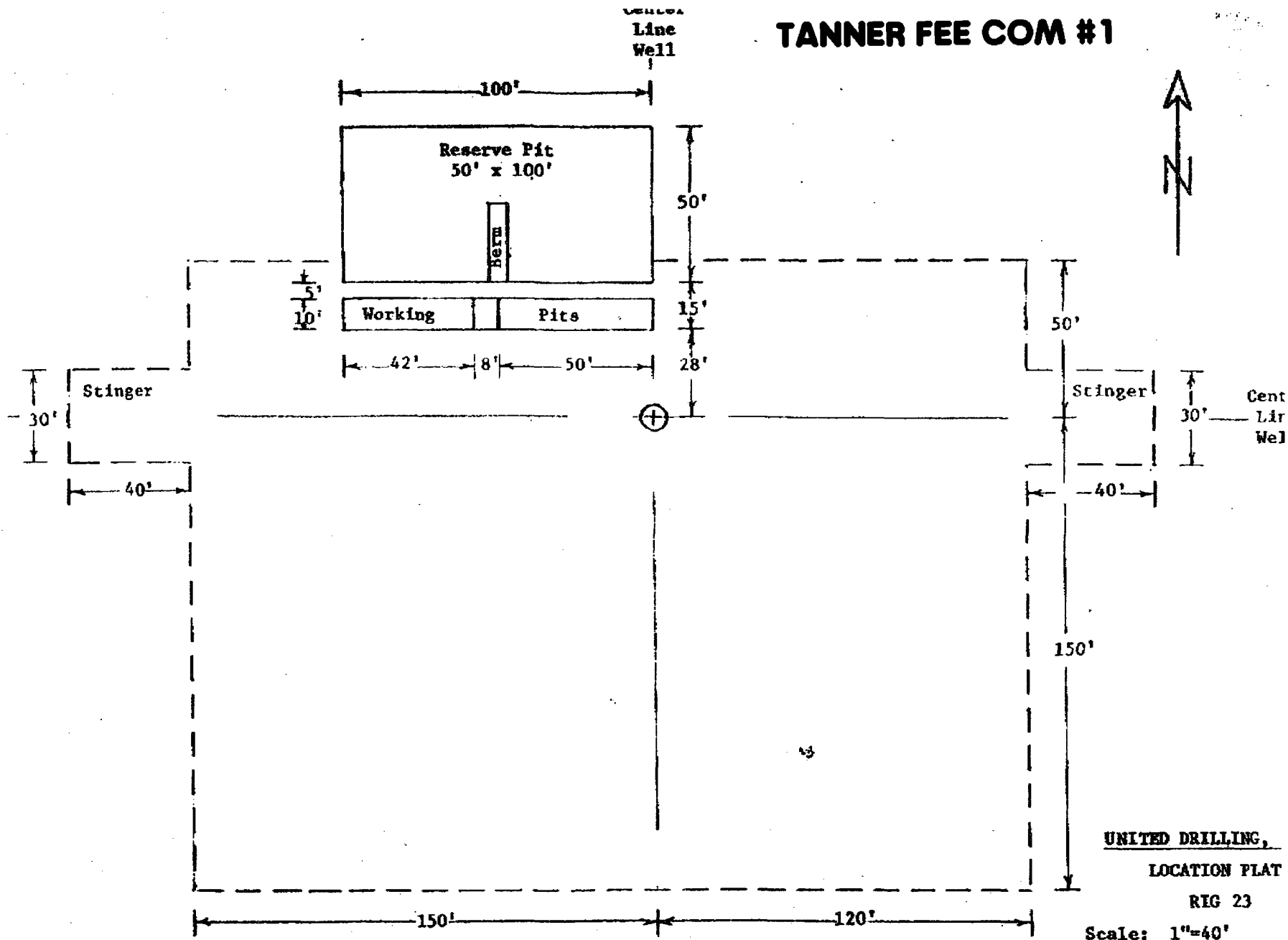
	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>April D. McKay</u> Signature</p> <p><u>April D. McKay</u> Printed Name</p> <p><u>V.P.</u> Title</p> <p><u>2/19/04</u> Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p><u>5-15-04</u> Date Surveyed</p> <p><u>Todd P. Wagener</u> Signature of Professional Surveyor</p> <p><b>NEW MEXICO</b> <b>REGISTERED PROFESSIONAL SURVEYOR</b> <b>9242</b></p> <p>Certificate No. <u>1000-P-WAGENER NMPS # 9242</u> WAGENER ENGINEERING 1410 N. MISSOURI AVE. ROSWELL, NM 88201 505-823-8382</p>
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## NM CSSTATE2

Mrs. A. C. Willard  
Roberta E

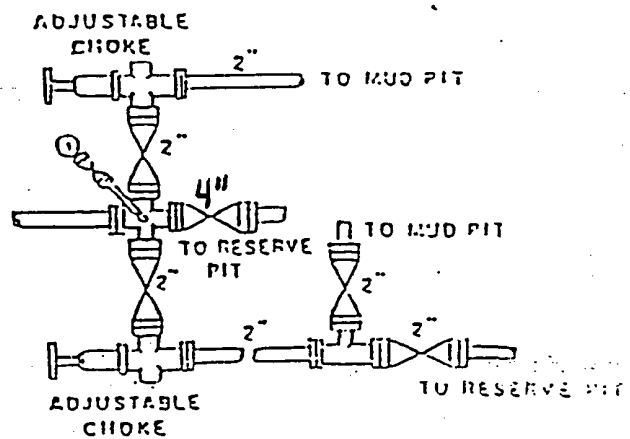
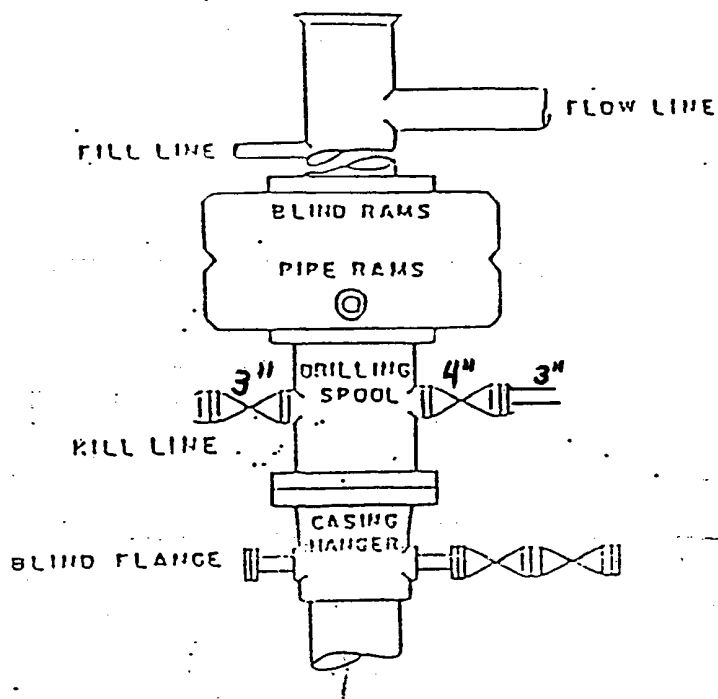


# TANNER FEE COM #1



UNITED DRILLING,  
LOCATION PLAT  
RIG 23

Scale: 1"=40'



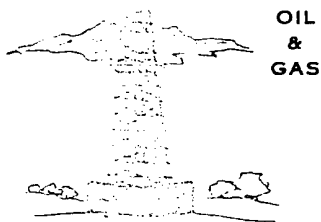
**TANNER FEE COM #1**

# *McKay Oil Corporation*

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505/623-4735

STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505/624-2202



June 6, 2001

Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

ATTENTION: Mr. Michael E. Stogner

REFERENCE: Non-Standard Locations

Gentlemen:

McKay Oil Corporation request to be placed on the hearing docket for the next available hearing after publication of McKay's request for approval of the following non-standard locations.

The names and justification for the non-standard locations are as follows:

1. TANNER FEE COM. #1 is located 660' FWL and 2310' FNL, Section 35, Township 6 South, Range 22 East, N.M.P.M. There is an existing dry hole, Tanner Fed. Com. #1 located at 660' FNL and 850' FWL, Section 35, Township 6 South, Range 22 East, N.M.P.M. McKay believes that the Abo formation channels widens somewhat south of the Tanner Fed. Com. #1; however, it is necessary to move the location of the Tanner Fee Com. #1 as far south as possible in the 160 acres spacing unit to ensure that encountering the channels. We have attached copies of the geological mapping of the channels for your review. Also, we have attached a copy of the APD which has been filed with the Oil Conservation Division's Artesia, New Mexico office.
2. CACTUS "B" FEDERAL #6 is located is located 330' FSL and 2430' FWL, Section 35, Township 6 South, Range 22 East, N.M.P.M. The well location has been placed in this location due to 2 constraints. The first constraint is geological in that we believe that the Abo formation channels are restricted to the very southern portion of this section. (SEE ATTACHED GEOLOGICAL MAPPING). The second constraint is topographical in nature. There is a major run-off draw located to the immediate



west and north of the location. The Bureau of Land Management has required McKay to locate this well at the specified location in an effort to restrict infringement upon this major topographic feature. (SEE ATTACHED TOPOGRAPHIC MAP) We have also attached a copy of the APD that has been filed with the Bureau of Land Management.

3. CACTUS FEDERAL #7 is located 380' FSL and 2130' FEL, Section 35, Township 6 South, Range 22 East, N.M.P.M. The well location has been placed in this location due to 2 constraints. The first constraint is geological in that we believe that the Abo formation channels are restricted to the very southern portion of this section. (SEE ATTACHED GEOLOGICAL MAPPING). The second constraint is topographical in nature. There is a major run-off draw located to the immediate

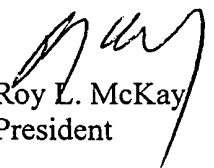
Please be advised that the owners of the offset acreage are McKay Oil Corporation – 1% and McKay Petroleum Corporation – 99%.

If any questions should arise concerning this request, please feel free to contact Mr. Roy McKay at 505-623-4735.

Thank you for your immediate attention to this matter.

Very truly yours,

MCKAY OIL CORPORATION



Roy L. McKay  
President

RLM/bjm

Enclosures

cc: Mr. Tim Gum – OCD, Artesia, NM

**MCKAY OIL CORPORATION  
P.O. BOX 2014  
ROSWELL, NM 88202-2014  
505-623-4735**

**HYDROGEN SULFIDE (H<sub>2</sub>S) CONTINGENCY PLAN FOR THE  
TANNER FEE COM #1  
LOCATED IN SEC 35 T6S, R22E  
CHAVES COUNTY, NEW MEXICO**

**30-005-63643**

**NO HYDROGEN SULFIDE OR OTHER HAZARDOUS GASES OR FLUIDS  
HAVE BEEN ENCOUNTERED, REPORTED OR KNOWN TO EXIST AT THIS  
DEPTH IN THIS AREA.**

### **TANNER FEE COM #1**

This is an open drilling site. H2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H2S, including warning signs, wind indicators and H2S monitor. Pumpers carry (MICROPACKS) H2S pocket testers at all times. Pulling units has an H2S indicator that puts off light and alarm of any indication of H2S being present.

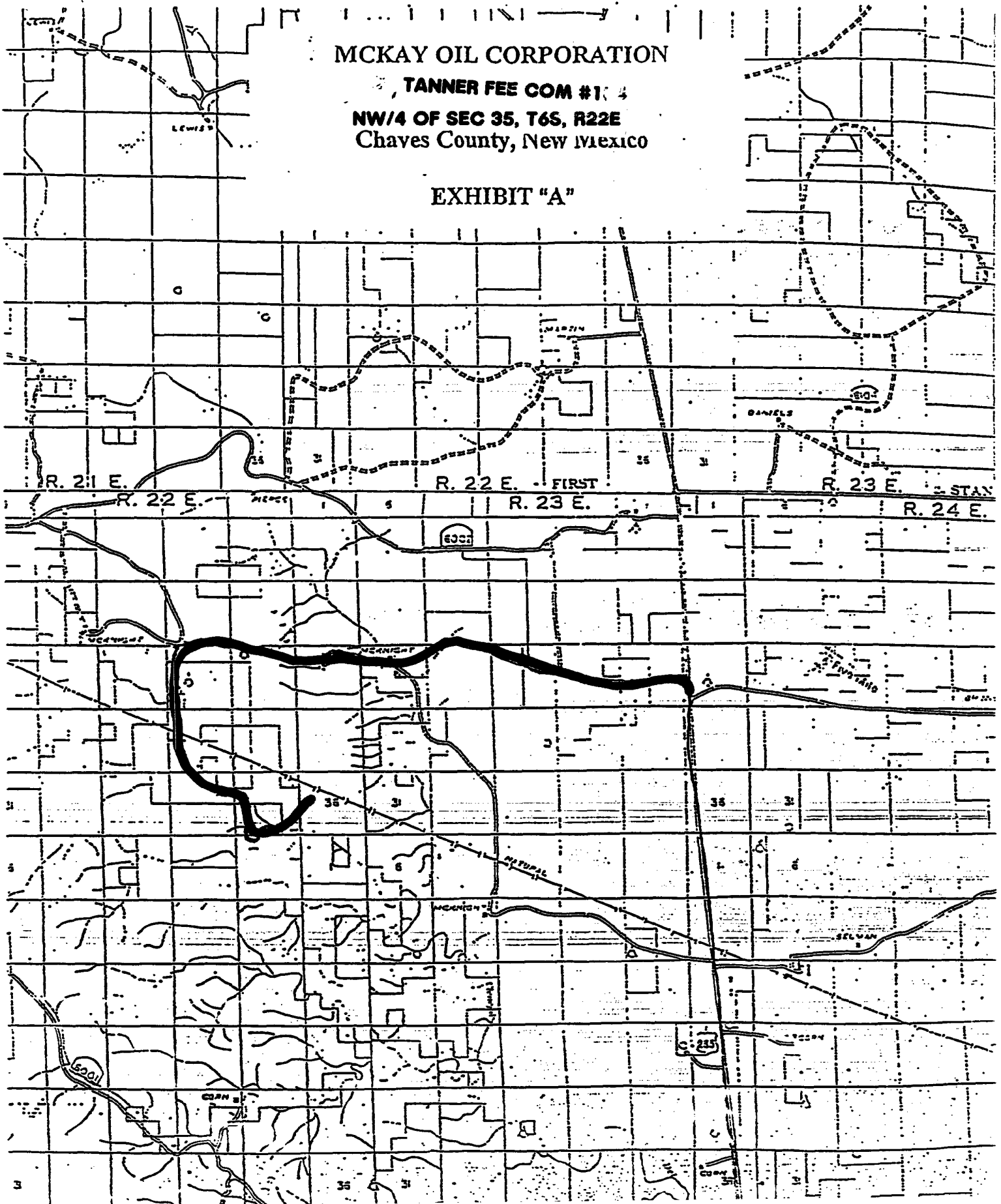
**MAPS-SEE ATTACHED**

MCKAY OIL CORPORATION

TANNER FEE COM #1

NW/4 OF SEC 35, T6S, R22E  
Chaves County, New Mexico

EXHIBIT "A"



## EMERGENCY PROCEDURES

In the case of a release of gas containing H<sub>2</sub>S, the first responder must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder must evacuate any public spaces encompassed by the 100 ppm ROE. First responder must take care not to injure themselves during the operation. Company and or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs on order to control the release. Use the "buddy system" to ensure no injuries occur during the response.

## IGNITION OF GAS SOURCE

Should control of the well be considered lost and ignition considered, take care to protect against exposure of sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

## CHARACTERISTICS OF H<sub>2</sub>S & SO<sub>2</sub>

COMMON NAME	CHEMICAL FORMULA	SPECIFIC GRAVITY	THRESHOLD LIMIT	HAZARDOUS LIMIT	LETHAL CONCENTRATION
HYDROGEN SULFIDE	H <sub>2</sub> S	1.189 AIR =1	10 PPM <sub>4</sub>	100 PPM/HR	600 PPM
SULFUR DIOXIDE	SO <sub>2</sub>	2.21 AIR =1	2 PPM	N/A	1000 PPM

## CONTACTING AUTHORITIES

McKay Oil Corporation personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. be prepared with all information available. The following call list of essential and potential responders must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan (HMER).

## **MCKAY OIL CORPORATION CALL LIST**

<b>CHAVES COUNTY (505)</b>	<b>OFFICE</b>	<b>CELL PHONE</b>	<b>HOME PHONE</b>
HUMBERTO PEREZ	625-1154	626-8580	627-1985
JIM ROBINSON	625-1154	626-8579	624-1093
APRIL MCKAY	623-4735	626-8575	625-2848

### **CHAVES COUNTY (505) ROSWELL**

STATE POLICE	622-7200
CITY POLICE	911 or 624-6770
SHERIFF'S OFFICE	624-6500
AMBULANCE	911
FIRE DEPARTMENT	624-6800
LEPC (Local Emergency Planning Committee)	Teresa Barncastle 624-6770 ext 129
NMOCD	748-1283
ENMMC (Hospital)	622-8170