Form 3160-5 N.M. OIL CONSERVATION DIV (November 1992 FORM APPROVED UNITED STATES 811 S. FIRST STREET DEC 1 DEPARTMENT OF THE INTERIOR OMB No. 1004-0135 Expires July 31, 1996 ARTESIA, NM 88210 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. NISUNDRANDHOES AND REPORTS ON WELLS NM-36192 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE – Other instructions on reverse side 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other **LOOKOUT B FEDERAL #3** 2. Name Of Operator 9. API Well No. MCKAY OIL CORPORATION 30-005-63754 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory Area P.O. BOX 2014 ROSWELL, NM 88202-2014 505-623-4735 <u>WEST PECOS ABO SLOPE</u> 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 810' FSL & 660' FWL, UNIT M SEC 10, T6S, R22E CHAVES COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Water Shut-Off ☐ Acidize Deepen Production (Start/Resume) Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete Change Plans Plug and Abandon Temporarily Abandon Move pit contents to Lookout Final Abandonment Notice Convert to injection Plug Back 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 requests the following procedure: Dig trench (2), 30' wide X 90' long X 17' deep, on Lookout B Federal #8 location pad, for contents from Lookout B Federal #3 to be encapsulated within. This request is being proposed due to hard rock encountered during trench-excavation on the Lookout B3 location. Contents from Lookout B3 will be encapsulated in trench (2) on Lookout B8 using same procedures as Lookout B3. Lookout B3 and Lookout B8 are on same lease, NM-36192. Trench (2) will be backfilled with 4' of topsoil and re-contoured to conform to original topography of the area. Pad will be revegetated as per Lookout B3 seeding requirements. Accepted for record ACCEPTED FOR NMOCD PECORD 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) **CAROL SHANKS** PRODUCTION ANALYST Signature Date 7/28/2008 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By Title Dateld Manager, Conditions of approval, if any, are attached. Approval of this notice does not warrant Office or certify that the applicant holds legal or equitable title to those rights in the subject lease

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.

which would entitle the applicant to conduct operations thereon.