

N.M. Oil Cons. DIV-Dist. 2  
UNITED STATES 1301 W. Grand Avenue  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Alamosa, 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.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>NM-32308</b>
2. Name Of Operator <b>MCKAY OIL CORPORATION</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. BOX 2014 ROSWELL, NM 88202-</b>	3b. Phone No. (include area code) <b>505-623-4735</b>	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>610' FNL, &amp; 1980' FWL, UNIT C, SEC 12, T6S, R22E</b>		8. Well Name and No. <b>LL&amp;E B FEDERAL #3</b>
		9. API Well No. <b>30-005-63793</b>
		10. Field and Pool, or Exploratory Area <b>WEST PECOS ABO SLOPE</b>
		11. County or Parish, State <b>CHAVES COUNTY, NM</b>

**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" Surface 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 recompleate 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 recompleation 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 #3 at 10:00pm on January 01, 2006.

TD of casing @ 1063'

2) Ran 1063' of 8-5/8 J-55, 24# Casing. Rig up cementers. Pump 300 sacks 35-65-6 & 200 sacks of Class "C", cemented to surface. Ran temp survey, tag cement at 870'. Ran pressure test on casing/tested good. *Woc - 184.000 2500 psi - 15" casing*

RECEIVED

JAN 18 2006

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

Name (Printed/Typed)

CAROL SHANKS

Signature

*Carol Shanks*

Title

PRODUCTION ANALYST

Date

1/4/2006

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

*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, 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.