

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, 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

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT



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

¹ Operator Name and Address McKay Oil Corporation P O Box 2014 Roswell, NM 88202-2014		² OGRID Number 014424	
³ Property Code 23627		⁴ API Number 30 - 005 - 63986	
⁵ Proposed Pool 1 Pecos Slope Abo (West)		⁶ Well No. X2	

7 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	17	6S	23E		2130'	North	1280'	West	Chaves

8 Proposed 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 4112'
¹⁶ Multiple N	¹⁷ Proposed Depth 3600'	¹⁸ Formation Abo	¹⁹ Contractor	²⁰ Spud Date 8/24/07
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	#24	950+	350 sxs	Surface
7-7/8"	5-1/2"	#15.5	3600+	350 sxs	2500'

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 Corp. proposes to drill and test the Abo Formation. The Well will be drilled with air and foam until approximately 950'. Surface casing will be set and cemented to surface. The Well will continued to be drilled with air and foam until it reaches the top of the Abo formation (approx. 2,450' from surface). Will then mud up and drill to approximately 3,600' and log well. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

A diagram of the BOP is attached

**NOTIFY OCD OF SPUD & TIME
TO WITNESS CEMENTING OF
SURFACE CASING**

**CEMENT TO COVER ALL
OIL, GAS AND WATER
BEARING ZONES, EXAMPLE:
GLORIETA FORMATION**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature

Printed name: James L. Schultz

Title: Agent

E-mail Address: jschultz80@hotmail.com

Date: 8-8-07

Phone: (505) 626-6879

OIL CONSERVATION DIVISION

Approved by

Title:

Approval Date:

Conditions of Approval Attached ☐

**BRYAN G. ARKANT
DISTRICT II GEOLOGIST**

SEP 07 2007

Expiration Date:

SEP 07 2008

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 82740	Pool Name Pecos Slope; Abo, West
Property Code	Property Name CHAROLETTE B	Well Number 2
GRID No.	Operator Name MCKAY OIL CORPORATION	Elevation 4112'

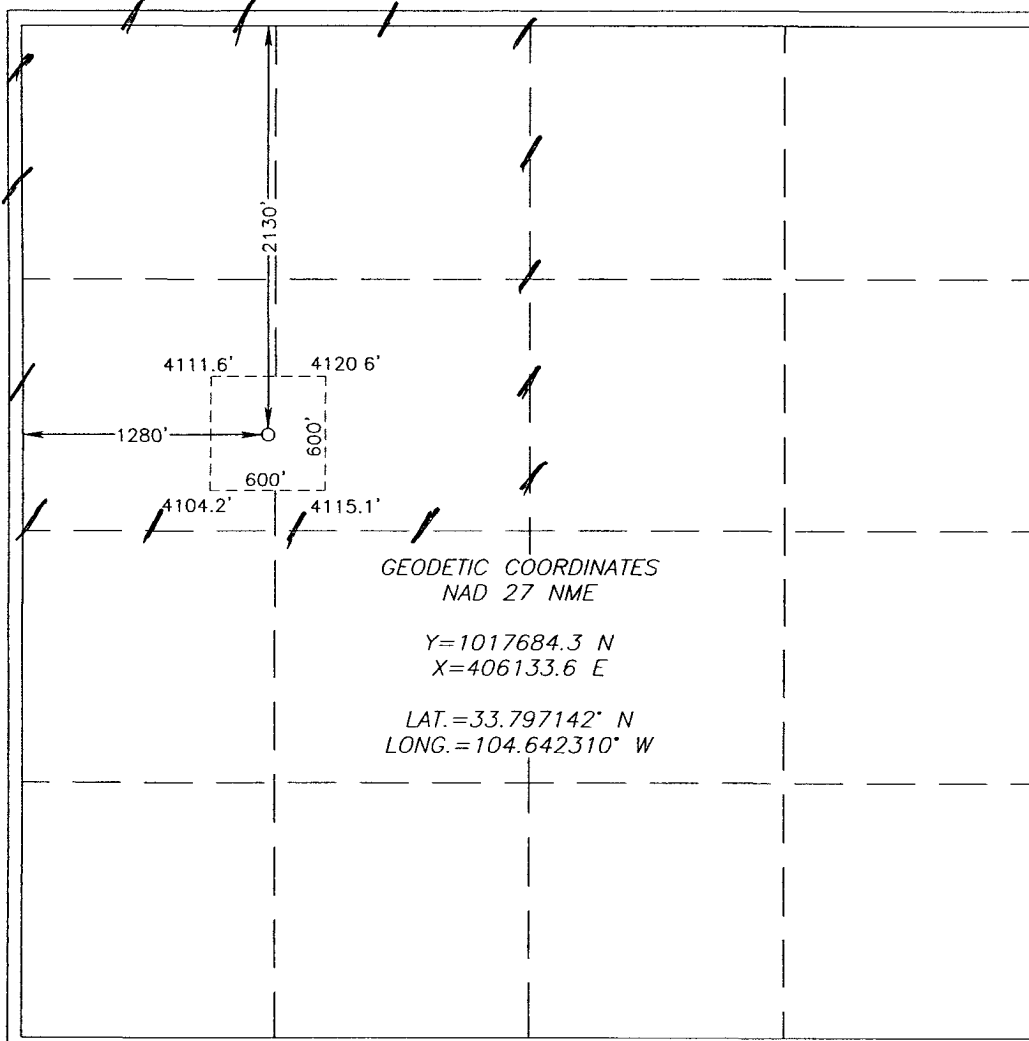
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	6-S	23-E		2130	NORTH	1280	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 160	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



OPERATOR CERTIFICATION

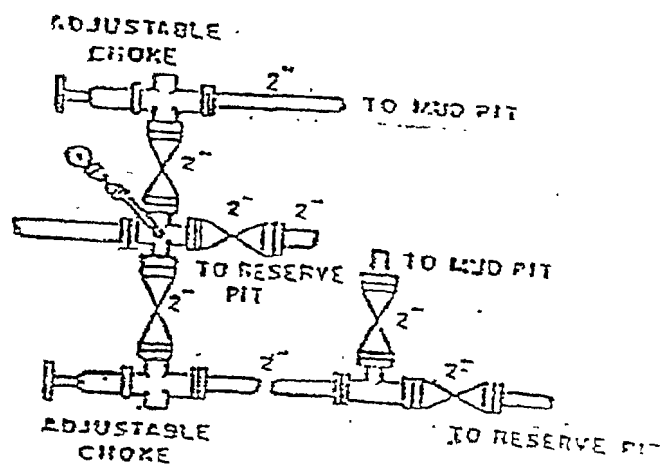
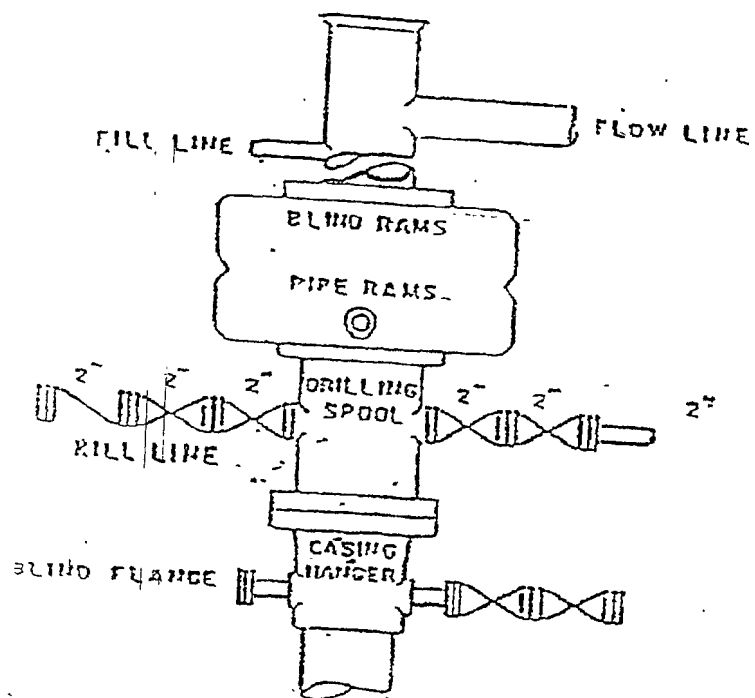
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *James L. Schultz* Date: 8/8/07
Printed Name: James L. Schultz

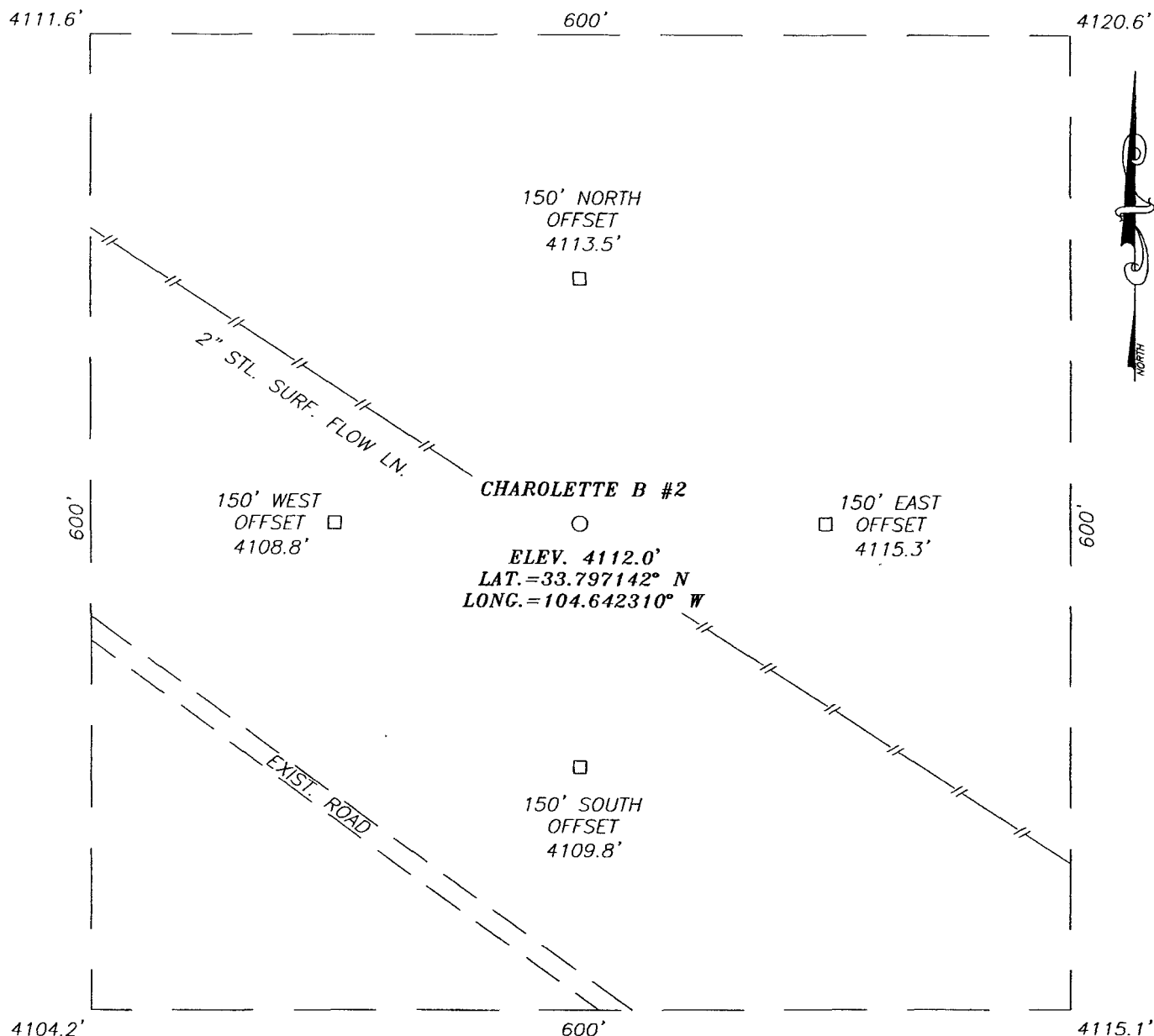
SURVEYOR CERTIFICATION

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.

Date Surveyed: 8/26/07
Signature: *Gary G. Eidson* Seal of Professional Surveyor 12641
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

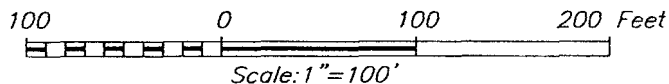


SECTION 17, TOWNSHIP 6 SOUTH, RANGE 23 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

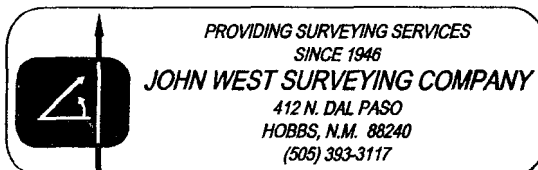
FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #40 (STAR GRASS RD.), GO WEST ON CO. RD. #40 APPROX. 3.6 MILES. TURN RIGHT AND GO NORTH AND NORTHWEST ALONG MEANDERING ROAD APPROX. 0.5 MILES. THIS LOCATION IS NORTH APPROX. 300 FEET.



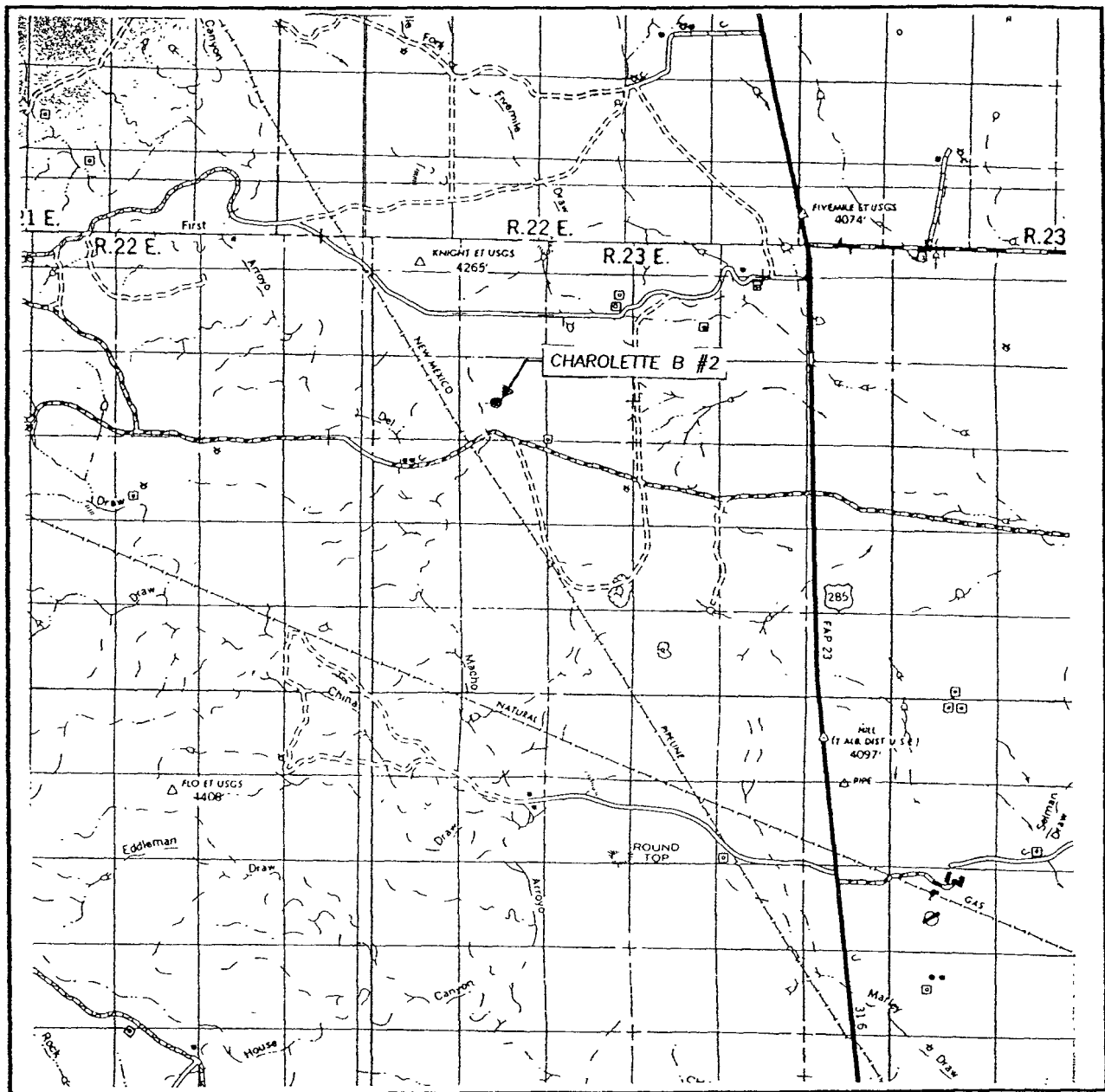
MCKAY OIL CORPORATION

CHAROLETTE B #2 WELL
 LOCATED 2130 FEET FROM THE NORTH LINE
 AND 1280 FEET FROM THE WEST LINE OF SECTION 17,
 TOWNSHIP 6 SOUTH, RANGE 23 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 7/26/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0926	Dr By: AR
Date: 7/31/07	Disk: 07110926
	Rev 1: N/A
	Scale: 1"=100'



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 6-S RGE. 23-E

SURVEY N.M.P.M.


COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 2130' FNL & 1280' FWL

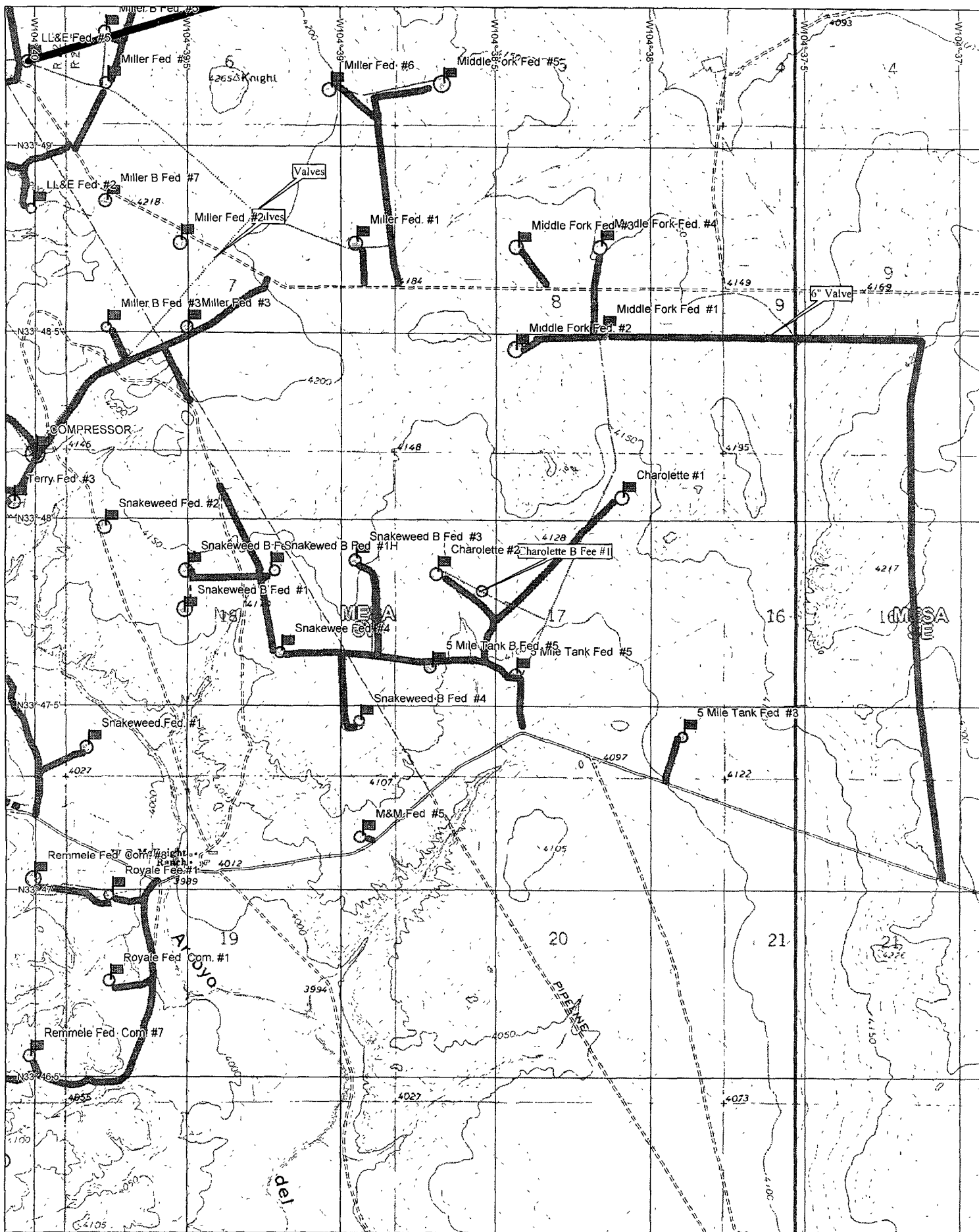
ELEVATION 4112'

OPERATOR MCKAY OIL CORPORATION

LEASE CHARLOTTE B



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



**Southwest Petroleum
Land Services, LLC**

100 N. Pennsylvania
Roswell, NM 88203
(505) 622-6713
(505) 622-9282 fax

August 8, 2007

Oil Conservation Division
Bryan Arrant
1301 W. Grand Avenue
Artesia, NM

Re: H2S Contingency Plan-Charolette B Fee #2

Bryan,

Please see attached Contingency Plan-H2S for the Charolette B Fee #2 located at 2130'FNL & 1280'FWL, SEC. 17, T6S, R23E, in Chaves County. Should you need any further information, please contact me at 505-626-6879.

Sincerely,


Jim Schultz
Agent for McKay Oil Corporation

MCKAY OIL CORPORATION
PO BOX 2014
ROSWELL, NM 88202-2014
505-623-4735

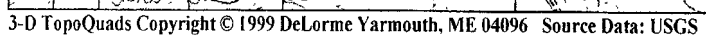
HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN FOR THE
CHAROLETTE B FEE #2
2130'FNL & 1280'FWL, Sec. 17, T6S, R23E
CHAVES COUNTY, NEW MEXICO

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

**Charolette B Fee #2
2130'FNL & 1280'FWL, Sec. 17, T6S, R23E
Chaves County, New Mexico**

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 have an H2S indicator that puts off light and alarm on any indication of H2S being present.

MAPS – SEE ATTACHED



1000 ft Scale: 1 : 25,000 Detail: 13-0 Datum: WGS84

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Friday, September 07, 2007 9:08 AM
To: 'jschultz80@hotmail.com'; 'McKay Oil'
Cc: Jones, William V., EMNRD; Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Charlotte Fee B # 2

Dear Mr. Schultz,

In regards to the above noted application to drill (APD), the API # is: 30-005-63986.

As we discussed this morning, the APD is non standard and at this time is considered as a "drill only" and may not produce until a NSL is granted from Santa Fe

Also be aware of Mckay Oil Corporation's current non compliance with regard's to NMOCD's rule 40.

The application will be scanned shortly for you to review the conditions of approval on OCD On-Line.

Yours truly,

Bryan G. Arrant

District II Geologist

New Mexico Oil Conservation Division

1301 West Grand Ave.

Artesia, NM 88210

505-748-1283 Ext. 103

CC: Well file

9/7/2007