

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

Copy

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.

Month - Year

MAY 30 2007

OCB = ARTESIA, NM

5. Lease Serial No.

NM NM-36194

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on reverse side

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

South Four Mile Draw Fed #1

9. API Well No.

30-005-62309

10. Field and Pool, or Exploratory Area

WEST PECOS ABO SLOPE

11. County or Parish, State

CHAVES COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Shut In well – 60 days
	☐ 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 recompleat 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 recompleat 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 shut-in well on 5/21/07.

Shut-in requested by New Mexico Energy, Minerals and Natural Resources Dept. to produce new horizontal well located in unorthodox Abo gas well location.

14. I hereby certify that the foregoing is true and correct	Title
Name (Printed/Typed)	PRODUCTION ANALYST
CAROL SHANKS	Date
Signature	05/28/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

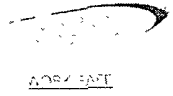
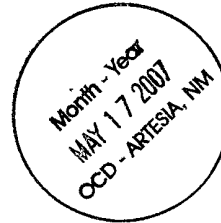
Approved By	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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.

(Instructions on reverse)

copy

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Conquest Energy Services of N.M.

Chaves County, New Mexico

South Four Mile Draw C

Federal # 1H

Sidetrack

Design: Sidetrack

Standard Survey Report

04 October, 2006

Crescent Directional Drilling

Survey Report

Company: Conquest Energy Services of N M Project: Chaves County, New Mexico Site: South Four Mile Draw C Well: Federal # 1H Wellbore: Sidetrack Design: Sidetrack	Local Co-ordinate Reference: Well Federal # 1H TVD Reference: RKB + 12" @ 4338.0ft (Rig Unknown) MD Reference: RKB + 12" @ 4338.0ft (Rig Unknown) North Reference: Grid Survey Calculation Method: Minimum Curvature Database: EDM 2003 14 Single User Db	
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Project	Chaves County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site South Four Mile Draw C

Site Position:	Northing: 1,013,902.30 ft	Latitude: 33° 47' 11.570 N
From: Lat/Long	Easting: 384,330.80 ft	Longitude: 104° 42' 50.510 W
Position Uncertainty: 0.0 ft	Slot Radius: "	Grid Convergence: -0.21 °

Well Federal # 1H

Well Position +N/-S 0.0 ft	Northing: 1,013,902.30 ft	Latitude: 33° 47' 11.570 N
+E/-W 0.0 ft	Easting: 384,330.80 ft	Longitude: 104° 42' 50.510 W
Position Uncertainty 0.0 ft	Wellhead Elevation: 0.0 ft	Ground Level: 4,326.0 ft

Wellbore Sidetrack

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	2006-10-02	8.79	61.54	49,903

Design Sidetrack

Audit Notes:

Version: 1.0	Phase: ACTUAL	Tie On Depth: 3,108.0
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Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	180.00

Survey Program Date 2006-10-02

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
1,180.0	3,108.0	Original Hole (Wellbore #1)	MWD	MWD - Standard
3,182.0	3,841.0	Sidetrack Surveys (Sidetrack)	MWD	MWD - Standard

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
1,180.0	1.80	112.30	1,179.8	-7.0	17.1	7.0	0.15	0.15	0.00
1,672.0	0.40	178.90	1,671.7	-11.7	24.3	11.7	0.34	-0.28	13.54
2,042.0	0.70	175.40	2,041.7	-15.2	24.5	15.2	0.08	0.08	-0.95
2,086.0	0.40	193.10	2,085.7	-15.6	24.5	15.6	0.78	-0.68	40.23
2,118.0	0.70	180.30	2,117.7	-15.9	24.5	15.9	1.01	0.94	-40.00
2,148.0	0.40	176.90	2,147.7	-16.2	24.5	16.2	1.01	-1.00	-11.33
2,163.0	0.70	163.20	2,162.7	-16.4	24.5	16.4	2.17	2.00	-91.33
2,180.0	0.70	149.50	2,179.7	-16.6	24.6	16.6	0.98	0.00	-80.59
2,211.0	2.70	178.20	2,210.7	-17.5	24.7	17.5	6.82	6.45	92.58
2,242.0	6.90	182.60	2,241.6	-20.0	24.7	20.0	13.59	13.55	14.19
2,274.0	11.30	182.60	2,273.1	-25.1	24.4	25.1	13.75	13.75	0.00

Crescent Directional Drilling

Survey Report

Company:	Conquest Energy Services of N M	Local Co-ordinate Reference:	Well Federal # 1H
Project:	Chaves County, New Mexico	TVD Reference:	RKB + 12" @ 4338 0ft (Rig Unknown)
Site:	South Four Mile Draw C	MD Reference:	RKB + 12" @ 4338 0ft (Rig Unknown)
Well:	Federal # 1H	North Reference:	Grid
Wellbore:	Sidetrack	Survey Calculation Method:	Minimum Curvature
Design:	Sidetrack	Database:	EDM 2003 14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,305.0	15.50	182.40	2,303.3	-32.3	24.1	32.3	13.55	13.55	-0.65
2,337.0	18.40	182.80	2,333.9	-41.6	23.7	41.6	9.07	9.06	1.25
2,367.0	21.10	183.70	2,362.1	-51.7	23.1	51.7	9.06	9.00	3.00
2,399.0	23.60	183.20	2,391.7	-63.9	22.4	63.9	7.83	7.81	-1.56
2,430.0	26.20	182.60	2,419.8	-76.9	21.7	76.9	8.43	8.39	-1.94
2,461.0	28.70	182.10	2,447.4	-91.2	21.2	91.2	8.10	8.06	-1.61
2,491.0	30.90	182.00	2,473.4	-106.1	20.6	106.1	7.34	7.33	-0.33
2,523.0	32.80	181.50	2,500.6	-123.0	20.1	123.0	5.99	5.94	-1.56
2,554.0	34.80	181.50	2,526.3	-140.2	19.7	140.2	6.45	6.45	0.00
2,586.0	37.10	182.30	2,552.2	-159.0	19.0	159.0	7.34	7.19	2.50
2,610.0	38.90	183.40	2,571.1	-173.7	18.3	173.7	8.01	7.50	4.58
2,642.0	41.10	183.30	2,595.7	-194.3	17.1	194.3	6.88	6.87	-0.31
2,673.0	43.50	183.30	2,618.6	-215.1	15.9	215.1	7.74	7.74	0.00
2,704.0	46.20	183.00	2,640.6	-236.9	14.7	236.9	8.74	8.71	-0.97
2,736.0	48.80	182.40	2,662.2	-260.5	13.6	260.5	8.24	8.12	-1.87
2,767.0	52.00	182.30	2,681.9	-284.3	12.6	284.3	10.33	10.32	-0.32
2,798.0	54.90	182.30	2,700.4	-309.2	11.6	309.2	9.35	9.35	0.00
2,830.0	57.00	182.30	2,718.3	-335.7	10.5	335.7	6.56	6.56	0.00
2,861.0	59.60	183.10	2,734.6	-362.0	9.3	362.0	8.67	8.39	2.58
2,892.0	62.40	183.90	2,749.6	-389.1	7.6	389.1	9.31	9.03	2.58
2,923.0	65.10	185.00	2,763.3	-416.8	5.5	416.8	9.27	8.71	3.55
2,953.0	67.70	185.50	2,775.3	-444.2	3.0	444.2	8.80	8.67	1.67
2,984.0	70.40	185.40	2,786.4	-473.0	0.2	473.0	8.71	8.71	-0.32
3,015.0	72.80	185.60	2,796.2	-502.3	-2.6	502.3	7.77	7.74	0.65
3,046.0	75.40	185.30	2,804.7	-532.0	-5.4	532.0	8.44	8.39	-0.97
3,077.0	78.00	184.90	2,811.8	-562.0	-8.1	562.0	8.48	8.39	-1.29
3,108.0	80.80	184.50	2,817.5	-592.4	-10.6	592.4	9.12	9.03	-1.29
3,182.0	85.10	183.20	2,826.6	-665.6	-15.5	665.6	6.07	5.81	-1.76
3,221.0	87.50	177.90	2,829.1	-704.5	-15.9	704.5	14.89	6.15	-13.59
3,266.0	93.10	172.90	2,828.9	-749.4	-12.3	749.4	16.68	12.44	-11.11
3,296.0	94.20	172.30	2,827.0	-779.0	-8.5	779.0	4.17	3.67	-2.00
3,327.0	94.10	173.10	2,824.7	-809.7	-4.5	809.7	2.59	-0.32	2.58
3,358.0	90.80	172.90	2,823.4	-840.5	-0.7	840.5	10.66	-10.65	-0.65
3,390.0	88.10	170.40	2,823.7	-872.1	3.9	872.1	11.50	-8.44	-7.81
3,421.0	89.10	169.80	2,824.5	-902.6	9.2	902.6	3.76	3.23	-1.94
3,453.0	91.10	169.60	2,824.4	-934.1	14.9	934.1	6.28	6.25	-0.62
3,485.0	88.40	170.70	2,824.6	-965.6	20.4	965.6	9.11	-8.44	3.44
3,516.0	87.60	171.10	2,825.6	-996.2	25.3	996.2	2.88	-2.58	1.29
3,547.0	89.50	172.50	2,826.4	-1,026.9	29.7	1,026.9	7.61	6.13	4.52
3,578.0	90.20	172.90	2,826.5	-1,057.7	33.7	1,057.7	2.60	2.26	1.29
3,608.0	90.50	174.60	2,826.3	-1,087.5	36.9	1,087.5	5.75	1.00	5.67
3,640.0	90.70	175.30	2,826.0	-1,119.3	39.8	1,119.3	2.27	0.62	2.19
3,669.0	91.40	174.60	2,825.5	-1,148.2	42.3	1,148.2	3.41	2.41	-2.41
3,701.0	91.80	176.20	2,824.6	-1,180.1	44.9	1,180.1	5.15	1.25	5.00
3,732.0	93.40	175.80	2,823.2	-1,211.0	47.0	1,211.0	5.32	5.16	-1.29
3,763.0	93.80	176.00	2,821.2	-1,241.9	49.3	1,241.9	1.44	1.29	0.65
3,793.0	92.90	175.80	2,819.5	-1,271.7	51.4	1,271.7	3.07	-3.00	-0.67
3,841.0	91.10	174.40	2,817.8	-1,319.5	55.5	1,319.5	4.75	-3.75	-2.92

Checked By: _____	Approved By: _____	Date: _____
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