

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

Form C-144
June 24, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application JUL 23 2008

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

COO-ARTESIA

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: McKay Oil Corporation OGRID #: 14424
Address: P. O. Box 2014, Roswell, NM 88201
Facility or well name: CHAROLETTE "B" FEE #2
API Number: 30-005-63986 OCD Permit Number: _____
U/L or Qtr/Qtr F Section 17 Township 6S Range 23E County: Chaves
Center of Proposed Design: 2130' FNL & 1650' FWL, SE 1/4NW 1/4 NAD: ☐ 1927 ☐ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ Steel Pit
☒ Lined ☐ Unlined
Liner type: Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC
☐ Other geo-membrane ☒ String-Reinforced
Seams: ☒ Welded ☒ Factory ☐ Other _____
Volume: 2,565 bbl Dimensions: L 60' x W 40' x D 8'

☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined
Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC
☐ Other _____
Seams: ☐ Welded ☐ Factory ☐ Other _____
Volume: _____ bbl _____ yd³
Dimensions: Length _____ x Width _____

☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl
Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner
☐ Visible sidewalls only
☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC
☐ Other _____

Fencing: Subsection D of 19.15.17.11 NMAC
☐ Chain link, six feet in height, two strands of barbed wire at top
☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
Netting: Subsection E of 19.15.17.11 NMAC
☐ Screen ☐ Netting ☐ Other _____
☒ Monthly inspections
Signs: Subsection C of 19.15.17.11 NMAC
☒ 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers
☐ Signed in compliance with 19.15.3.103 NMAC

☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Administrative Approvals and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
Please check a box if one or more of the following is requested, if not leave blank:
☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

(Applies to temporary, emergency, or cavitation pits and below-grade tanks)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

☐ NA

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

(Applies to permanent pits)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

☒ NA

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

☒ NA

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

- ☒ Previously Approved Design (attach copy of design) API Number: 30-005-63986 or Permit Number: _____

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC

- ☐ Previously Approved Design (attach copy of design) API Number: _____

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Proposed Closure: 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☒ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☒ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste. **Ground Water Depth = 550'**

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☒ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No
☒ NA

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only: (19.15.17.13.D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Carol Shanks Title: Production Analyst

Signature: *Carol Shanks* Date: 7/22/2008

e-mail address: carol@mckayoil.com Telephone: (575) 623-4735

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: *Jim W. Grem* Approval Date: 7/29/08

Title: *District II Supervisor* OCD Permit Number: 0208223

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

☐ Closure Completion Date: _____

Closure Method:

- ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method
- ☐ If different from approved plan, please explain.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☐ Plot Plan
- ☐ Confirmation Sampling Analytical Results
- ☐ Waste Material Sampling Analytical Results
- ☐ Disposal Facility Name and Permit Number
- ☐ Soil Backfilling and Cover Installation
- ☐ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

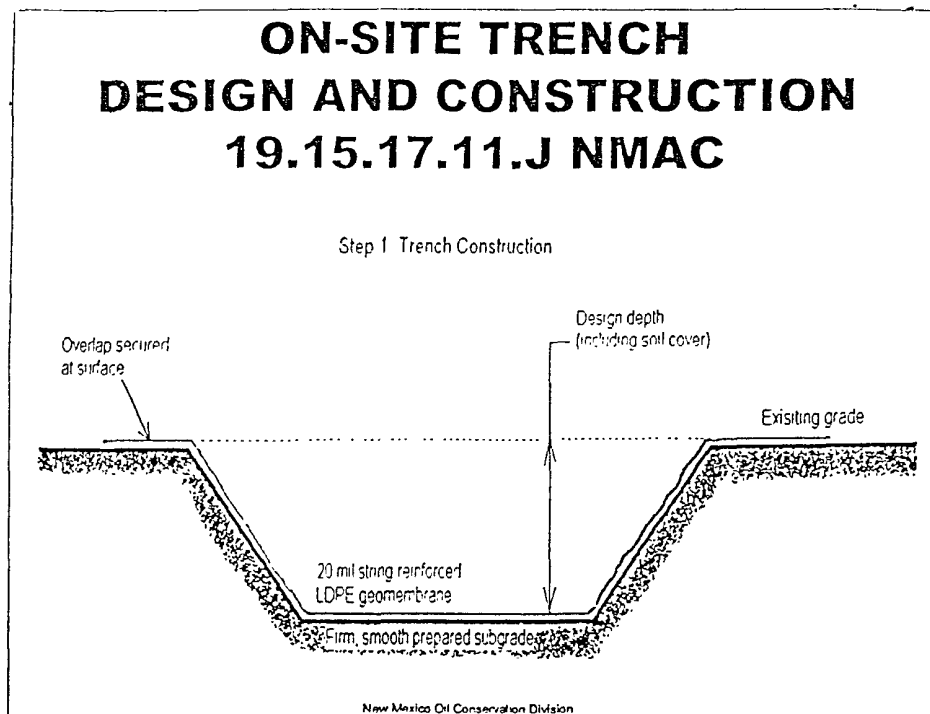
Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

PIT DESIGN AND CONSTRUCTION SPECIFICATIONS (19.15.17.11)

General Specifications

1. Any topsoil, which can sustain plant vegetation, will be bladed and piled for future rehabilitation.
2. The location slopes very slightly to the west and southwest. Ground will be excavated no steeper than 2:1 slope.
3. The 40' X 60' X 8' pit shall be constructed and maintained so that runoff water from outside the location is not allowed to enter the pit. The berms surrounding the entire perimeter of the pit shall extend a minimum of two (2) feet above ground level. At no time will standing fluids in the pit be allowed to rise above ground level.
4. Pit will be properly constructed on firm unyielding base, free of large rocks, debris and sharp edges to support all liquids and prevent tears.
5. A 20 MIL, low linear density polyethylene (LLDPE), string-reinforced liner, with factory-welded seams will be placed on excavated ground bed by qualified backhoe service. Liner will be large enough to reduce stress-strain on the liner.
6. Anchor trench will be 18" deep and all edges anchored securely.
7. A 4' high, 4-stranded barbed wire fence, evenly spaced between 4', will be erected around 3 sides of pit during drilling operations. The 4th side shall be fenced immediately upon rig release.
8. A well sign has been placed at entrance of facility, thus Operator is exempt from placing an additional sign on location, per Rule 103, 19.15.3.103, NMAC.



CHAROLETTE B FEE #2
2130' FNL & 1650' FWL, SE¼NW¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202

PIT OPERATING AND MAINTENANCE PLAN (19.15.17.12)

General Specifications

1. Thru the end of drilling operations, fluid contents will be monitored and reported daily on drilling reports, submitted and maintained in Operator's Office.
2. At least two feet of freeboard will be maintained for pit.
3. Only fluids generated during drilling process will be discharged into pit.
4. Pit liner will be inspected daily for tears and/or leaks and for pit liner's integrity.
5. Division office will be notified within 48 hours if damage is discovered and liner will be repaired.
6. Free liquids will be removed from pit within 30 days from the date rig is released.

CHAROLETTE B FEE #2
2130' FNL & 1650' FWL, SE¼NW ¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202
(575) 623-4735

PIT CLOSURE PLAN (19.15.17.13)

Onsite Trench burial Closure Method

1. Operator will remove all liquid contents in 40' X 60' pit and allow to the bottom of pit to dry.
2. Dig trench 2 (west side of trench 1 pit area) big enough to put all of the cuttings in. Leave enough room for 4' backfill material. (NOTE: Trench size depends on the amount of cuttings, rock formations, surrounding terrain and mud solidity.)
3. Line trench 2 with 20 MIL liner, and in accordance with the design and construction requirements specified in Subsection J of 19.15.17.11 NMAC.
4. Fill trench 2 with cuttings, original pit liner and any contaminated soil.
5. Solidify the contents to a bearing capacity sufficient to support the temporary pit's final cover of the trench burial. Operator shall not exceed the 3:1 mixing ratio (soil or other material to contents).
6. Collect *soil samples (see Exhibit A) from inside trench 1 area consisting of a five-point, composite soil sample. Collect individual grab samples from any area that is wet, discolored or showing other evidence of a release.
7. Cap trench 2 with 20 MIL liner.
8. Backfill trench 1 area with 4' of topsoil.
9. Backfill trench 2 area with 4' of topsoil, re-contour where applicable to conform to original topography of the area.
10. Place steel marker at the center of on-site burial. Marker shall be 4" in diameter, cemented 3' beneath ground and extending 4' above ground level. Sign engraved with: Operator, Lease, Unit letter, Section, Township and range.
11. File deed with Chaves County Clerk identifying exact location of on-site burial.
12. Seed entire pit area per BLM specifications.

Quality Control

1. *Soil samples will be collected per EPA SWA-846 protocol. Samples will be kept in sterile sample-dedicated containers and homogenized with a trowel. After sample containers are filled, they will be immediately sealed, and processed for shipment to the Cardinal Laboratory in Hobbs, NM for TPH and Chloride testing. TPH not to exceed 2.500 mg. Chlorides not to exceed 250mg. Cardinal Lab will prepare an analytical data report of the soil.
2. Cardinal Lab will report back to McKay Oil, results from soil samples.
3. Operator to submit Form C-141, with Analytical Data Report, to OCD.

Cardinal Laboratories (Soil Analysis)

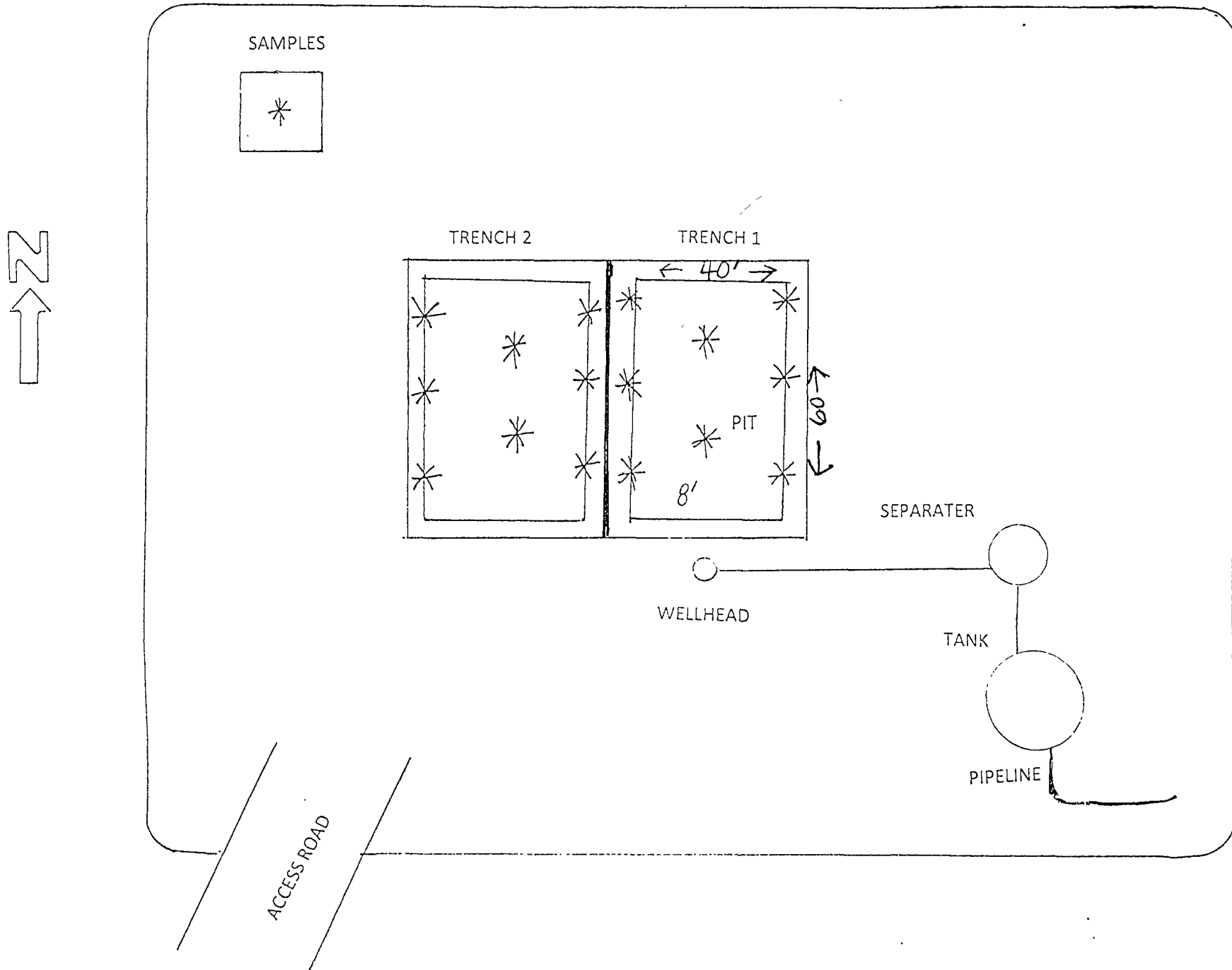
101 E. Marland
Hobbs, NM 88240
Contact: Larry Bailey
(575) 393-2326 (or) 800-588-5227

Talon, LPE (Soil Sampler)

318 E. Taylor
Hobbs, NM 88240
Contact: Shelly Tucker
(575) 706-7234

Charolette B Fee #2
Unit F, SEC17, T6S, R23E
Chaves County, NM

Exhibit A



CHAROLETTE B FEE #2
2130' FNL & 1650' FWL, SE¼NW ¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202
(575) 623-4735

PIT CLOSURE PLAN (19.15.17.13) - ALTERNATE METHOD

Waste Excavation and Removal

1. Operator will remove all liquid contents in 40' X 60' pit and allow the bottom of pit to dry.
2. Pile cuttings and original pit liner in Roll-off Box on west side of pit area.
3. Collect *soil samples (see Exhibit A) from inside trench 1 area consisting of a five-point, composite soil sample. Collect individual grab samples from any area that is wet, discolored or showing other evidence of a release.
4. Haul off drill cuttings, liquid contents and any contaminated soil in Roll-off Box to *Gandy Marley Landfill.
5. Backfill trench 1 area with 4' of topsoil.
6. Re-contour where applicable to conform to original topography of the area.
7. Seed entire pit area per BLM specifications.

Quality Control

1. *Soil samples will be collected per EPA SWA-846 protocol. Samples will be kept in sterile sample-dedicated containers and homogenized with a trowel. After sample containers are filled, they will be immediately sealed, and processed for shipment to the Cardinal Laboratory in Hobbs, NM for benzene and chloride analytical testing. Cardinal Lab will prepare an analytical data report of the soil.
2. Cardinal Lab will report back to McKay Oil, results from soil samples.
3. Operator to submit Form C-141, with Analytical Data Report, to OCD.

Cardinal Laboratories (Soil Analysis)

101 E. Marland
Hobbs, NM 88240
Contact: Larry Bailey
(575) 393-2326 (or) 800-588-5227

Talon, LPE (Soil Sampler)

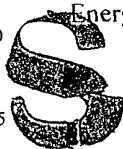
318 E. Taylor
Hobbs, NM 88240
Contact: Shelly Tucker
(575) 706-7234

Gandy Marley (Waste Disposal)

PERMIT NO: NM-711-1-0020
Mile Marker 196, US 380 E
Roswell, NM 88201
(575) 626-6513

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
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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-144
June 1, 2004

For drilling and production facilities,
submit to appropriate NMOCD District
Office.
For downstream facilities, submit to Santa
Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator McKay Oil Corporation Telephone 505-623-4735 e-mail address jennifer@mckayoil.com
Address PO Box 2014 Roswell, NM 88202-2014
Facility or well name Charolette B Fee #2 API # 30 005 63984 or Qtr/Qtr SWNW Sec 17 T 6S R 23E
County Chaves Latitude _____ Longitude _____ NAD 1927 ☐ 1983 ☐
Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

AUG 09 2007

OCD-ARTESIA

Pit Type Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Below-grade tank Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (0 points)
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes (20 points) <u>No</u> (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) 0	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered No ☐ Yes ☐ If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date 8/8/07

Printed Name/Title James L. Schultz, Agent

Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval

Printed Name/Title

**AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.**

Signature

Signed By [Signature]

AUG 10 2007

CHAROLETTE B FEE #2
2130' FNL & 1650' FWL, SE¼NW¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202
(575) 623-4735

PIT PROOF OF SURFACE OWNER NOTICE (19.15.17.13)

Proof of Surface Owner Notice

1. APD Application to drill approved. Sundry Notice to be submitted on date well spud.

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

Operator Name and Address McKay Oil Corporation P.O. Box 2014 Roswell, NM 88202-2014		OGRID Number 014424
Property Code 23627	AUG 09 2007 OCD-ARTESIA	API Number 30 - 005 - 63986
Proposed Pool 1 Pecos Slope Abo (West)		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

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 4112'
Multiple N	Proposed Depth 3600'	Formation Abo	Contractor	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 svs	Surface
7-7/8"	5-1/2"	#15.5	3600±	350 svs	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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>James L. Schultz</i>		Approved by:	
Printed name: James L. Schultz		Title: BRYAN G. ARRAÑT DISTRICT II GEOLOGIST	
Title: Agent		Approval Date: SEP 07 2007 Expiration Date: SEP 07 2008	
E-mail Address: jschultz80@hotmail.com			
Date: 8-8-07	Phone: (505) 626-6879	Conditions of Approval Attached <input type="checkbox"/>	

CHAROLETTE B FEE #2
2130' FNL & 1650' FWL, SE¼NW¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986

McKay Oil Corporation
P. O. Box 2014
Roswell, NM 88202
(575) 623-4735

PIT SITING REQUIREMENTS (19.15.17.10)

Siting Requirements

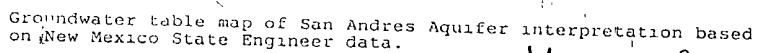
See attachments - applicable to this permit request.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

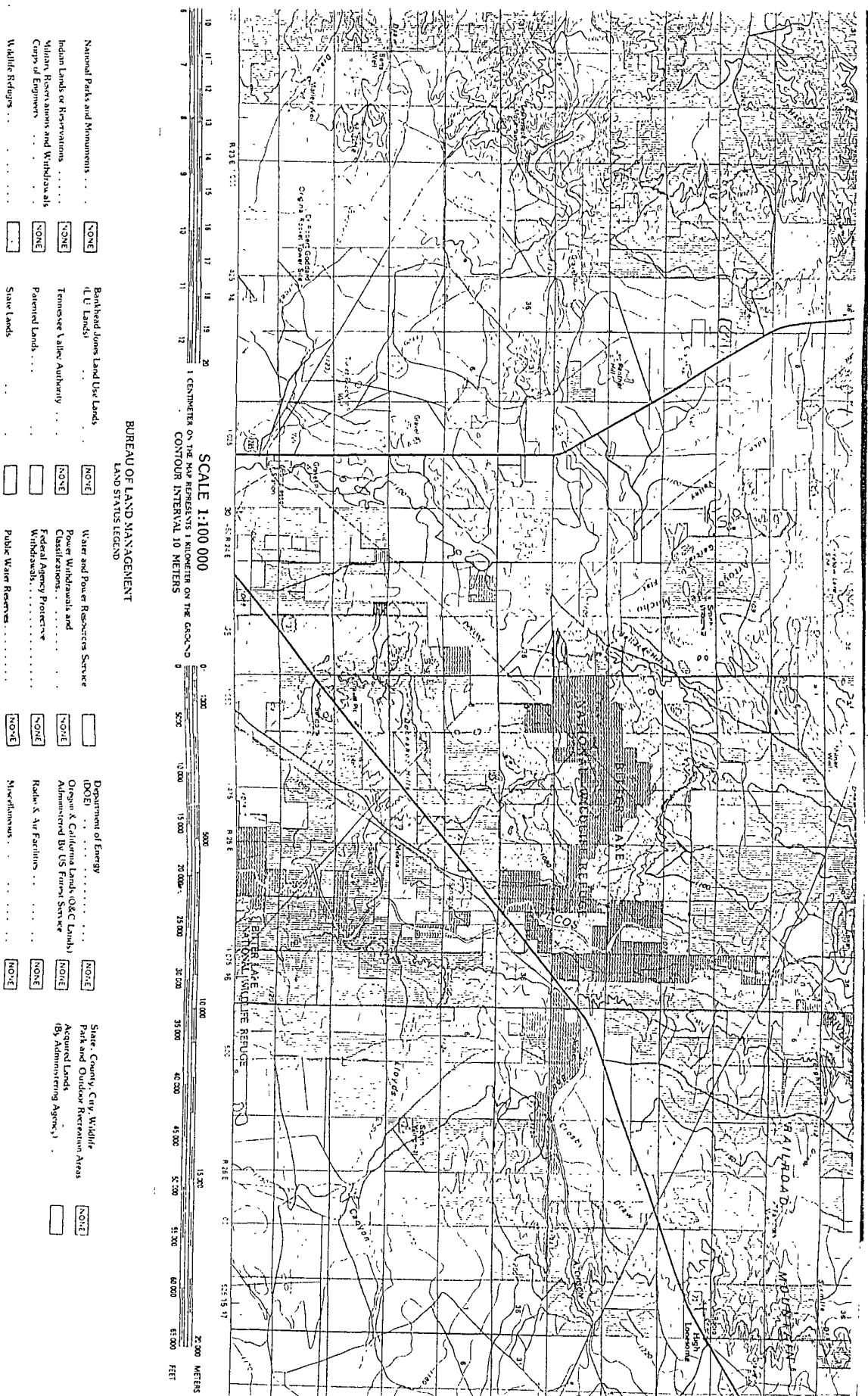
- | | |
|---|--|
| a. Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| b. Ground water is between 50 and 100 feet below the bottom of the buried waste
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| c. Ground water is more than 100 feet below the bottom of the buried waste.
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| d. Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
- Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| e. Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
(Applies to temporary, emergency, or cavitation pits and below-grade tanks)
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| f. Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| g. Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.
- Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> NA |
| h. Within 500 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| i. Within the area overlying a subsurface mine.
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| j. Within an unstable area.
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| k. Within a 100-year floodplain.
- FEMA map | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Sitting Requirement a., b., c.



Groundwater depth
= 550'

Sitting Requirement d.



Siting Requirement e.



New Mexico Office of the State Engineer
POD Reports and Downloads

Township. 06S Range 23E Sections 17

NAD27 X Y Zone ☐ Search Radius

County CH ☐ Basin. ☐ Number Suffix

Owner Name (First) (Last) ☐ Non-Domestic ☐ Domestic ☒ All

POD / SURFACE DATA REPORT 07/22/2008

(acre ft per annum)
DB File Nbr Use Diversion Owner POD Number

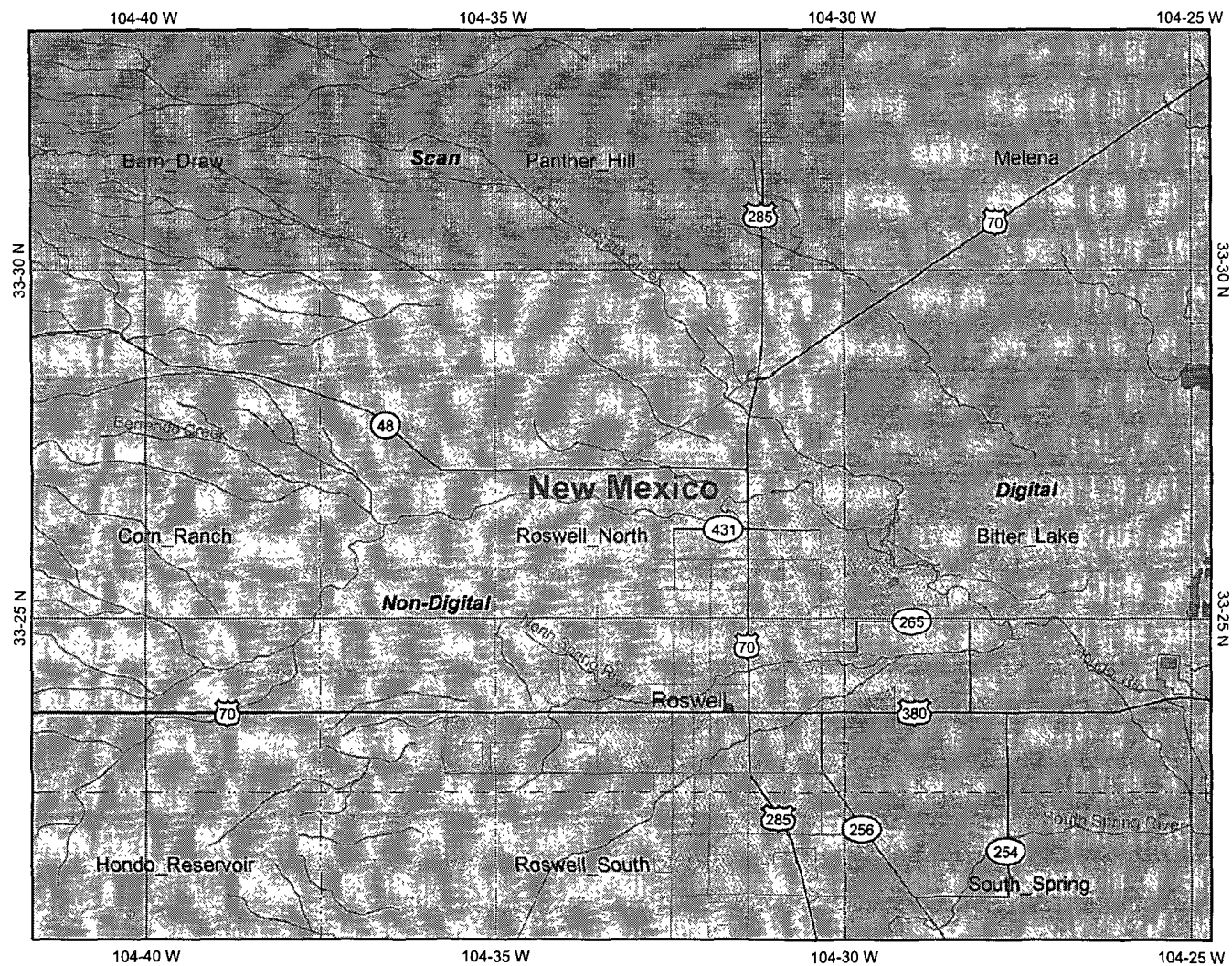
(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest X Y are in Feet
Source Tws Rng Sec q q q Zone X Y

No Records found

McKay Oil Corporation
Charlotte B Fee #2
SEC 17, T6S, R23E

Siting Requirement F.

Internet Mapping Framework



Map center: 33°26' N, 104°33' W



Legend

- Interstate
- Major Roads
- Other Road
- Interstate
- State highway
- US highway
- Cities
- USGS Quad Index 24K
- Lower 48 Available Wetland Data
- Non-Digital
- Digital
- No Data
- Scan
- NHD Waterbodies
- LAKE/POND
- RESERVOIR
- STREAM/RIVER
- NHD Streams
- Counties 100K
- Urban Areas 300K
- States 100K
- South America
- North America

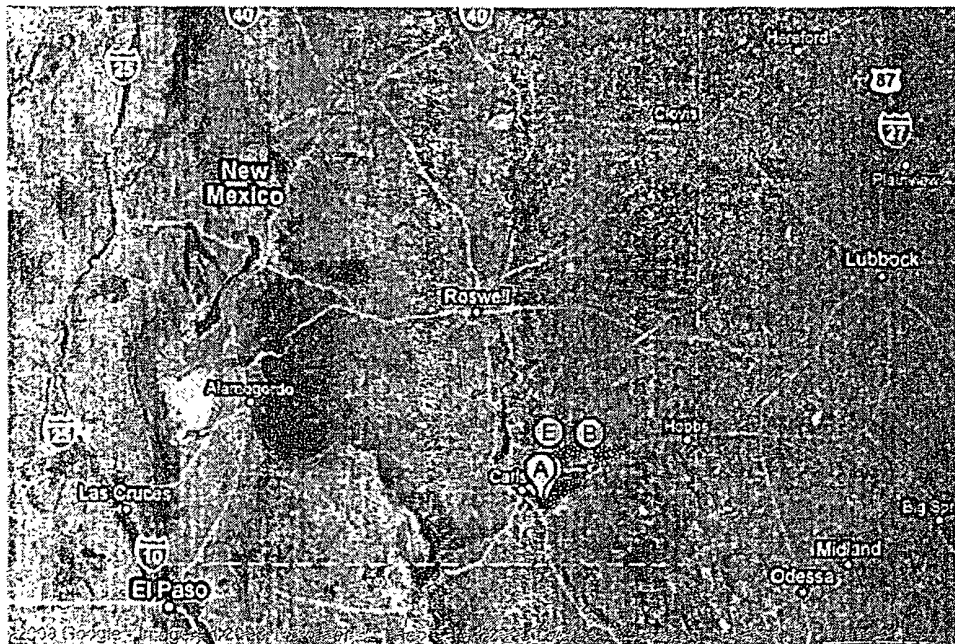


Scale: 1:169,243

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.



Results 1-5 of about 17 for potash mines
near Chaves County, New Mexico



- | | |
|---|---|
| A Mosaic Potash Carlsbad
1361 Potash Mines Rd, Carlsbad, NM - (575) 887-2871 | B. Intrepid Potash East
210 Red Cloud, Carlsbad, NM - (575) 887-1117 |
| C Highlands Gas
260 Potash Mines Rd, Loving, NM - (575) 745-2315. | D. Intrepid Potash
1996 Potash Mines Rd, Carlsbad, NM - (575) 887-5591 |
| E Intrepid Potash
6288 Hobbs Hwy, Carlsbad, NM - (575) 885-3134 | |

No mining activity in Chaves County, New Mexico

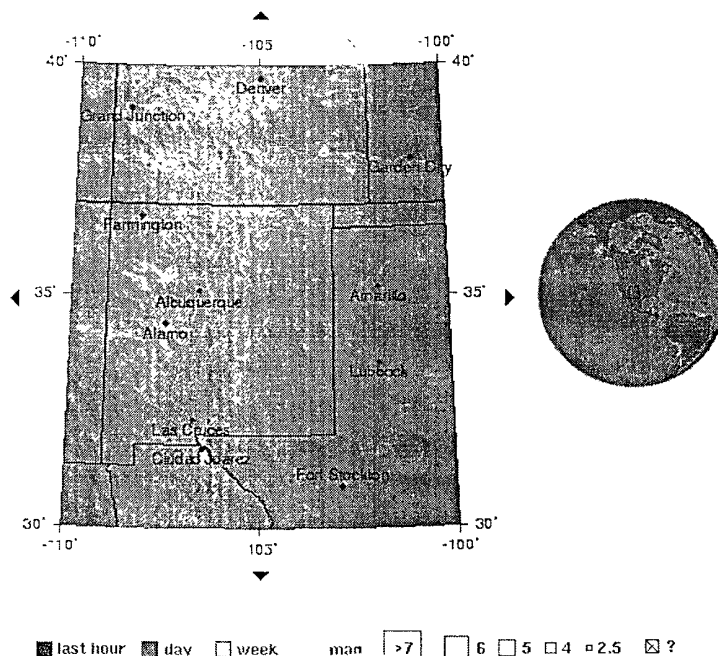
McKay Oil Corporation
Charolette B Fee #2
SEC 17, T6S, R23E

Siting Requirement i.



Earthquake Hazards Program

10-degree Map Centered at 35°N,105°W



Instructions

- Click on an earthquake for more information
- Click on blue arrows around map to see next map in that direction

Tips

- To convert UTC to US time zones, see this list or this table
- Magnitude = 7 for new earthquakes until a magnitude is determined.
- Maps show events recorded in the last 7 days with M2.5+ within the United States and adjacent areas, M4.0+ in the rest of the world.
- Maps are updated whenever a new earthquake has been located. Try to reload this page if you do not have the most current map.

Earthquake Lists

- [List of Earthquakes on this Map](#)
- [World M2.5+ Earthquake list](#)
- [World M5+ Earthquake list](#)

Did you feel it?

- [Report an Earthquake](#)

Back

- [Back to List of Regional Maps](#)
- [Back to World Map](#)

U.S. Department of the Interior | U.S. Geological Survey

URL: http://earthquake.usgs.gov/eqcenter/recenteqsww/Maps/degree10/255_35.php

Page Contact Information: [EHP Web Team](#)

Page Last Modified: September 04, 2007 22:31:33 UTC

McKay Oil Corporation
Charlotte B Tree #2
SEC 17, T6S, R23E

Siting Requirement J.



Earthquake Hazards Program

Earthquake List for 10-degree Map Centered at 35°N, 105°W

Update time = Fri Jun 13 20:12:07 UTC 2008

There are no earthquakes on the 10-degree Map Centered at 35°N, 105°W at this time.

[Back to 10-degree Map Centered at 35°N, 105°W](#)

[U.S. Department of the Interior](#) | [U.S. Geological Survey](#)

URL: http://earthquake.usgs.gov/eqcenter/recenteqsww/Maps/degree10/255_35_eqs.php

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Page Last Modified: June 13, 2008 20:12:12 UTC

Page Last Modified: June 13, 2008 20:12:12 UTC



Earthquake Hazards Program

New Mexico

Earthquake History

Most of New Mexico's historical seismicity has been concentrated in the Rio Grande Valley between Socorro and Albuquerque. About half of the earthquakes of intensity VI or greater (Modified Mercalli intensity) that occurred in the State between 1868 and 1973 were centered in this region.

The earliest reported earthquake in New Mexico was an intensity V tremor that occurred near Socorro on April 20, 1855. In the years that followed, Socorro was struck by numerous low to moderate intensity earthquakes. Most of these caused little or no damage and were felt over a small area. However, beginning on July 2, 1906, and lasting well into 1907 the area was affected by shocks almost daily. There were three fairly severe shocks in this series. The first was an intensity VII tremor that struck on July 12 and cracked some adobe walls and threw others down. Ground fissures and visible waves on the surface were reported with this earthquake. Another shock of intensity VII on July 16, was felt at Raton, about 370 km northeast of Socorro and at Douglas, Arizona, about 420 km southwest. The epicenter was probably about 16 km west of Socorro. On November 15, an intensity VII shock was felt over an area of about 250,000 square kilometers. Rumbling sounds were heard during this earthquake. Later shocks occurred at Socorro on July 18, 1913 (intensity V), January 31, 1919 (intensity IV-V), and February 1, 1919 (intensity V). An intensity V earthquake cause slight damage at Socorro on January 7, 1934. The most recent shock to affect the area occurred on July 3, 1961, causing slight damage at Socorro (intensity VI).

The towns of Bernardo and La Joya, about 30 kilometers and 40 kilometers north of Socorro, have been the center of a number of moderately strong earthquakes. On February 20, 1935, an intensity VI shock damaged adobe and concrete buildings at Bernardo. This earthquake was accompanied by a thunderous roar. On July 22, 1960, an intensity V tremor knocked some items from shelves at La Joya. The next day, a weak adobe wall was toppled and adobe buildings were cracked by an intensity VI earthquake. The total felt area of this shock was about 7,800 square kilometers. One day later on July 24, an intensity V shock broke two small windows at Boys Ranch and awakened many persons at Bernardo.

Belen, about 56 kilometers south of Albuquerque, experienced a series of earthquakes that lasted from December 12 to 30, 1935. Loud subterranean sounds accompanied a strong shock on December 17, that cracked the brick wall of an old public school buildings in Belen. In addition, there were reports of fallen plaster and small objects shaken from shelves. Numerous weak intermittent tremors were felt in the area, with additional slight damage from tremors on December 19 and 21.

The area around Los Lunas was affected by a series of earthquakes in 1893 that lasted for about 3 months. On September 7, 1893, five strong shocks, the most severe of intensity VII, struck Los Lunas. Many adobe buildings, weakened by earlier disturbances, were thrown down. Felt reports were also received from Sabinal.

Albuquerque has been the center of several moderately strong shocks. On July 12, 1893, three intensity V earthquakes shook every house in the city. Clocks stopped, and one report told of a chandelier swinging for 10 minutes. On December 3, 1930, two distinct shocks cracked plaster and dishes. A strong localized shock of intensity VI on February 4, 1931, caused people to leave houses and created a near panic situation in theaters. Many people

reported they were thrown from bed. Some building damage and landslides occurred. On November 6, 1947, Zamora, slightly east of Albuquerque, was shaken by an earthquake. Cracks were reported in plaster and a fireplace.

Minor plaster cracks in a bank building in Albuquerque were reported from an intensity V earthquake on November 3, 1954. The shock was also felt at Bernalillo, Sandoval, and Sandia Pueblo. A lighter shock on November 2 was felt over the same area. An earthquake, measured at 3.8, on November 28, 1970, awakened thousands at Albuquerque. The shock had a felt area of 3,000 square kilometers. The roof of a barn collapsed and a rooftop air-conditioner shook loose and fell through a skylight. Plaster cracks, broken windows, and many other instances of minor damage were reported. Many burglar alarms were activated. On January 4, 1971, another shock caused considerable minor damage in Albuquerque, principally at the University of Albuquerque.

An earthquake with strong local effects occurred on May 18, 1918, in Santa Fe county. At Cerrillos, people were thrown off their feet, a break in the earth's surface was noted, and fallen plaster was reported (intensity VII - VIII). Similar effects were noted at Stanley.

On January 22, 1966, a magnitude 5.5 earthquake centered near Dulce affected about 39,000 square kilometers of northwestern New Mexico and southwestern Colorado. Nearly every building in Dulce was damaged to some degree; many buildings had exterior and interior damage and considerable chimney damage was noted. The principal property damage was sustained at the Bureau of Indian Affairs School and Dormitory Complex and at the Dulce Independent Schools. Rockfalls and landslides occurred along Highway 17, about 15 to 25 km west of Dulce; in addition some minor cracks appeared in the highway. Minor damage was also reported at Lumberton, NM, and Edith, Colorado.

A magnitude 4.1 shock on December 24, 1973, occurred near Grants. The tremor caused minor damage in the Grants area and was also felt at Laguna, Bluewater, and Fort Wingate. Maximum reported intensity was V.

Abridged from Earthquake Information Bulletin, Volume 7, Number 3, May-June 1975, by Carl von Hake.

For a list of earthquakes that have occurred since this article was written, use the [Earthquake Search](#).

U.S. Department of the Interior | U.S. Geological Survey

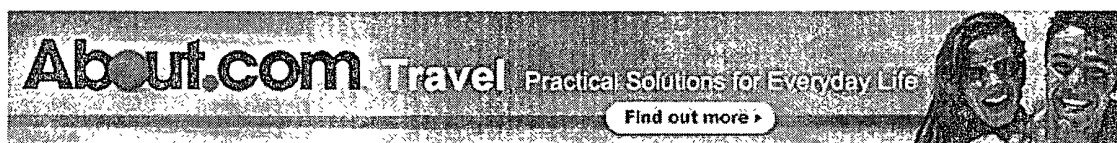
URL: http://earthquake.usgs.gov/regional/states/new_mexico/history.php

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Page Last Modified: February 08, 2008 19:23:37 UTC

d: February 08, 2008 19:23:37 UTC

About.com Geology

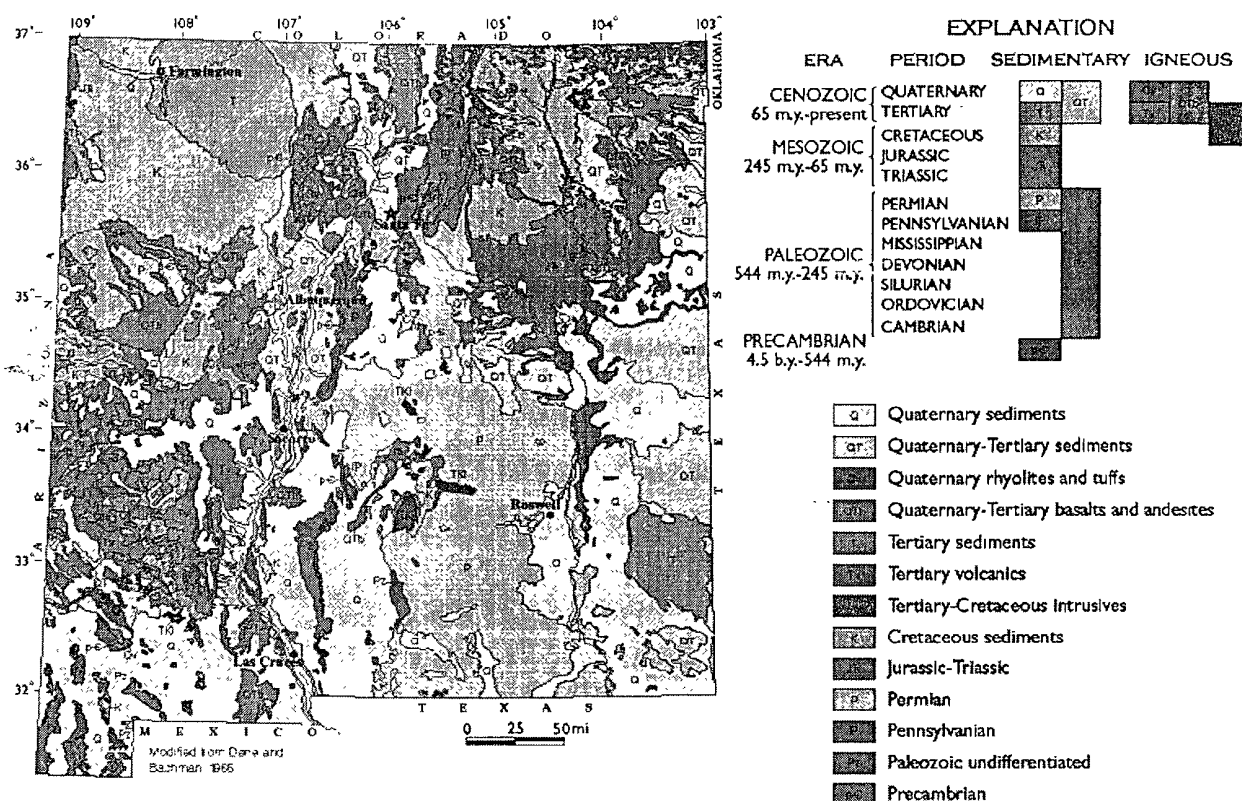


Geologic Map of New Mexico

Geologic Maps of the U.S. States

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GENERALIZED GEOLOGIC MAP OF NEW MEXICO



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- Geologic Time & Evolution

Must Reads

- What Is Geology?
- Identify Rocks

Recent Helicorder Displays New Mexico Seismic Network

ANMO BHZ IU : Albuquerque USGS Seismological Lab

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00) | 06/28/2008 (00) | 06/27/2008 (00) |
06/26/2008 (00) | 06/25/2008 (00) | 06/24/2008 (00) | 06/23/2008 (00)

BAR EHZ SC : Barrett

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

BMT EHZ SC : Bear Mountains

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CAR EHZ SC : Carthage

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CARB BHE SC : Carthage Broadband Z

11/14/2007 (00) | 11/13/2007 (00) | 11/12/2007 (00) | 11/11/2007 (00) | 11/10/2007 (00) |
11/09/2007 (00) | 11/08/2007 (00) | 11/07/2007 (00) | 11/06/2007 (00) | 11/05/2007 (00) |
11/04/2007 (00) | 11/03/2007 (00) | 11/02/2007 (00) | 11/01/2007 (00)

CARB BHN SC : Carthage Broadband N

11/14/2007 (00) | 11/13/2007 (00) | 11/12/2007 (00) | 11/11/2007 (00) | 11/10/2007 (00) |
11/09/2007 (00) | 11/08/2007 (00) | 11/07/2007 (00) | 11/06/2007 (00) | 11/05/2007 (00) |
11/04/2007 (00) | 11/03/2007 (00) | 11/02/2007 (00) | 11/01/2007 (00)

CARB BHZ SC : Carthage Broadband E

11/14/2007 (00) | 11/13/2007 (00) | 11/12/2007 (00) | 11/11/2007 (00) | 11/10/2007 (00) |
11/09/2007 (00) | 11/08/2007 (00) | 11/07/2007 (00) | 11/06/2007 (00) | 11/05/2007 (00) |
11/04/2007 (00) | 11/03/2007 (00) | 11/02/2007 (00) | 11/01/2007 (00)

CBET EHZ SC : Carlsbad East Tower

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CBKS BHZ US : Cedar Bluffs, KS

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CL2B EHZ SC : Gnome Location

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CL7 EHZ SC : WIPP Site

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

CPRX EHZ SC : Cap Rock

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

DAG EHZ SC : Dagger Draw

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

GDL2 EHZ SC : Guadalupe Mountains

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

HTMS EHZ SC : Hat Mesa

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

ISCO BHZ US : Idaho Springs, CO

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

LAZ EHZ SC : Sierra Ladrones

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

LEM EHE SC : Lemitar E

C.

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

LEM EHN SC : Lemitar N

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

LEM EHZ SC : Lemitar Z

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

LPM EHZ SC : Los Pinos Mountains

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

MLM EHZ SC : Mesa Lucero

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

SBY EHZ SC : South Baldy

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

SDCO BHZ US : Sand Dunes National Park, CO

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

SMC EHZ SC : Southern Magdalena Mountains

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

SRH EHZ SC : Seven River Hills

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

SSS EHZ SC : San Simon Sink

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |

07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

WIS IS1 SC : Workman Infrasound

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

WTX EHZ SC : Wood's Tunnel (NMT)

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

WUAZ BHZ US : Wupatki, AZ

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

Y22D BHE TA : IRIS PASSCAL, Socorro, NM

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

Y22D BHN TA : IRIS PASSCAL, Socorro, NM

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

Y22D BHZ TA : IRIS PASSCAL, Socorro, NM

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

S21A BHE TA : Coal Bank Pass, CO

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

S21A BHN TA : Coal Bank Pass, CO

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

S21A BHZ TA : Coal Bank Pass, CO

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |

07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

121A BHE TA : Cook's Peak, NM

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

121A BHN TA : Cook's Peak, NM

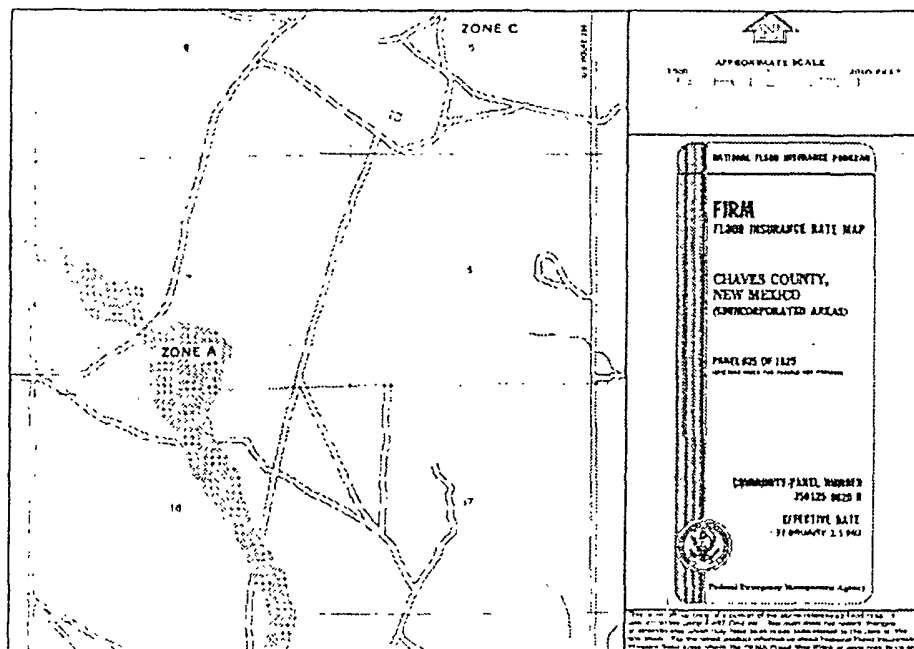
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07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

121A BHZ TA : Cook's Peak, NM

07/14/2008 (00) | 07/13/2008 (00) | 07/12/2008 (00) | 07/11/2008 (00) | 07/10/2008 (00) |
07/09/2008 (00) | 07/08/2008 (00) | 07/07/2008 (00) | 07/06/2008 (00) | 07/05/2008 (00) |
07/04/2008 (00) | 07/01/2008 (00) | 06/30/2008 (00) | 06/29/2008 (00)

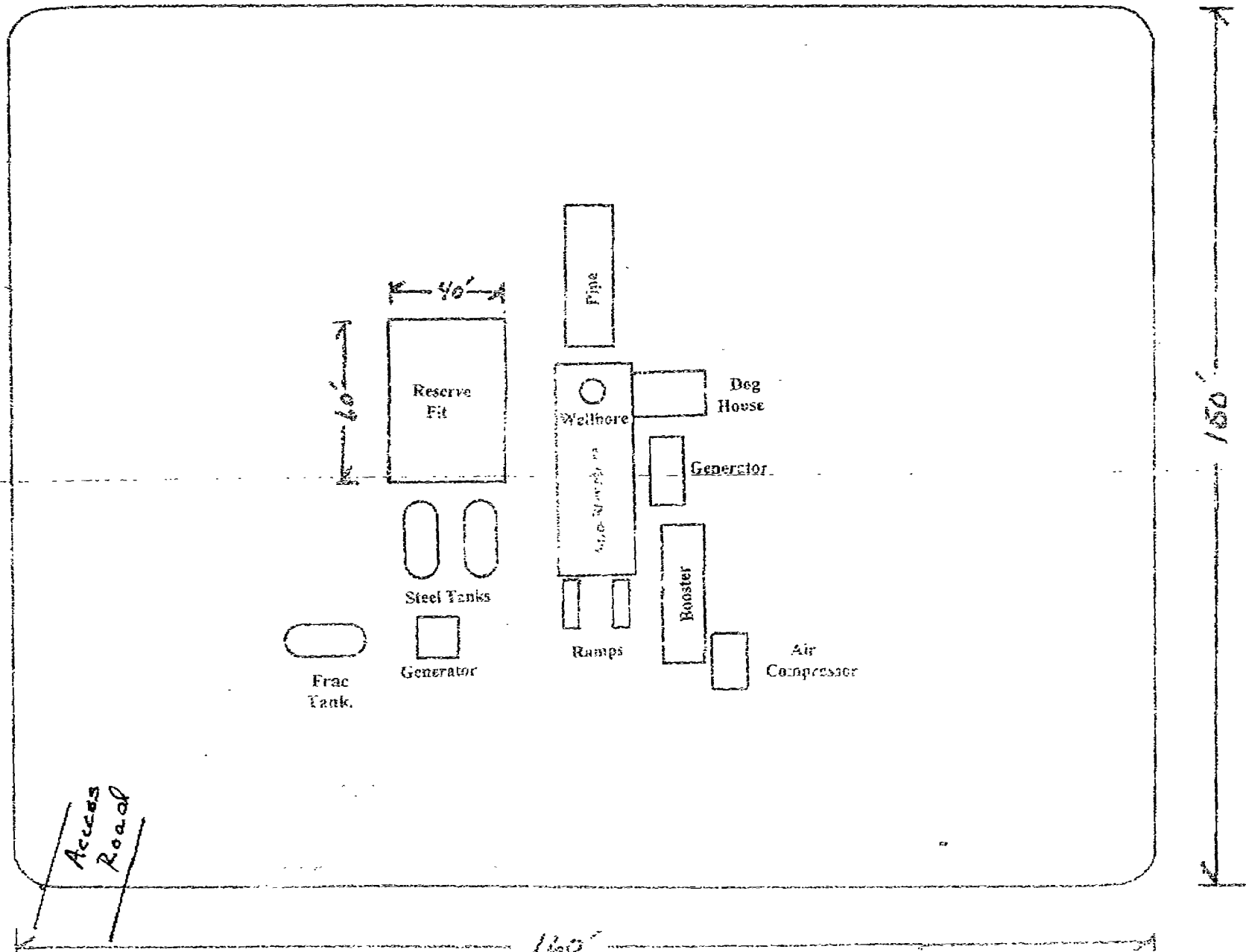
McKay Oil Corporation
Charolette B Fee #2
SEC 17, T6S, R23E

Siting Requirement k.

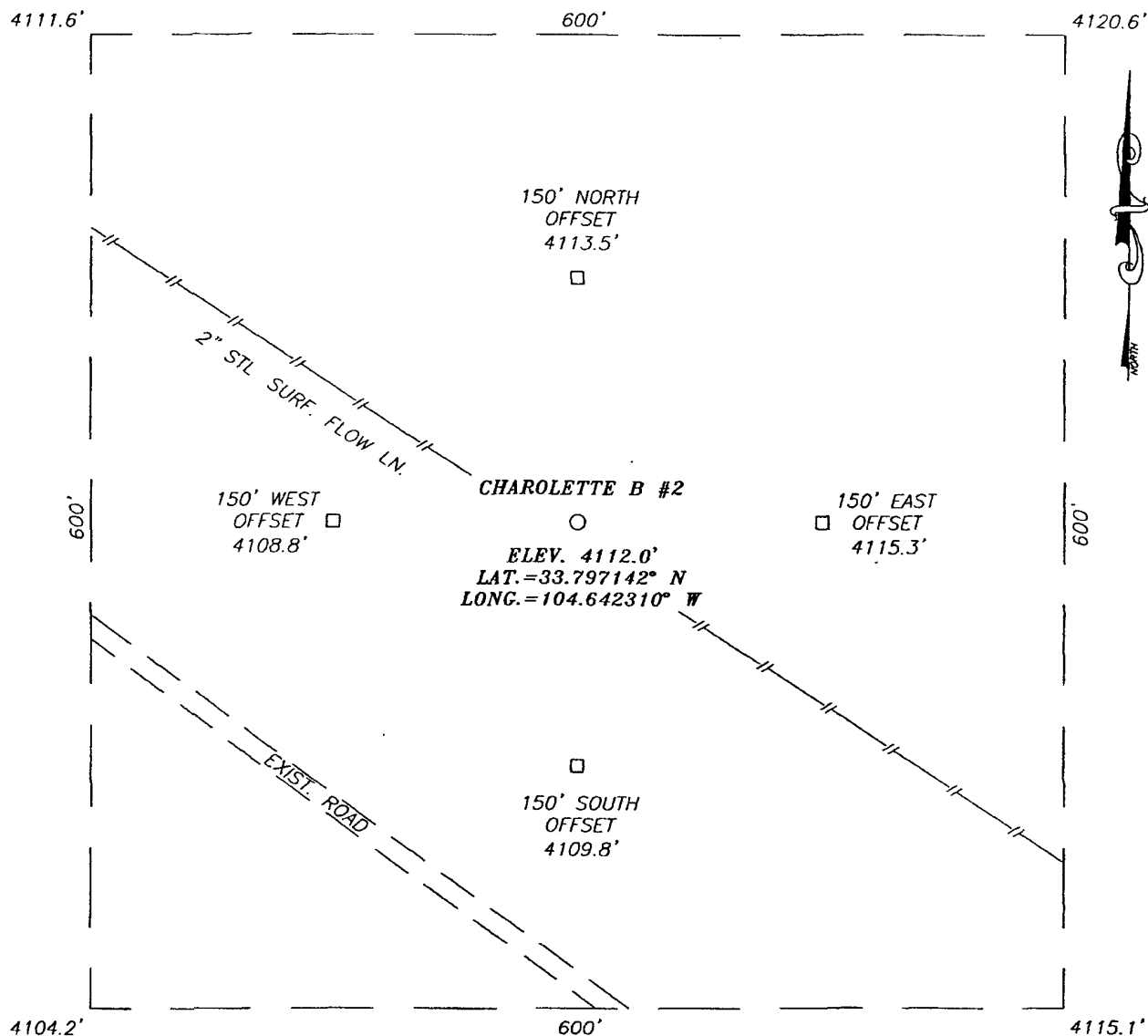


KEY TO MAP	
SPECIAL FLOOD HAZARD AREA	ZONE A
EXPLANATION OF ZONE DESIGNATIONS	
ZONE	EXPLANATION
A	Areas of 100-year flood; base flood elevations and flood hazard factors not determined.
C	Areas of minimal flooding. (No shading)
D	Areas of undetermined, but possible, flood hazards.
V	Areas of 100-year coastal flood with velocity (wave

CHAROLETTE FEE B #2
Unit F, SEC17, T6S, R23E
Chaves County, NM

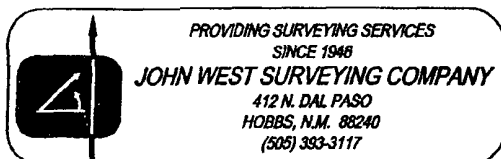
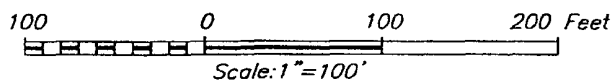


SECTION 17, TOWNSHIP 6 SOUTH, RANGE 23 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



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.



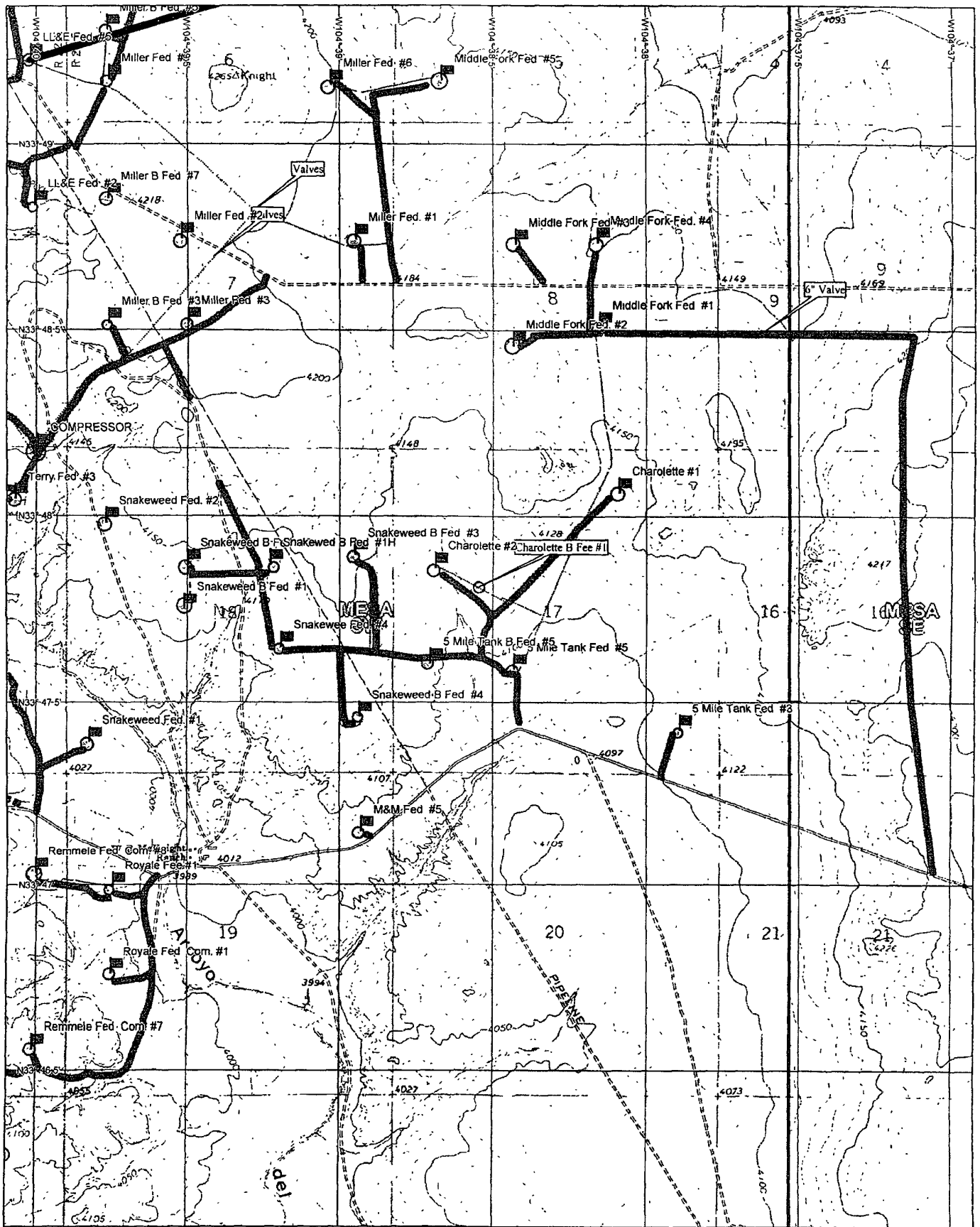
MCKAY OIL CORPORATION

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.

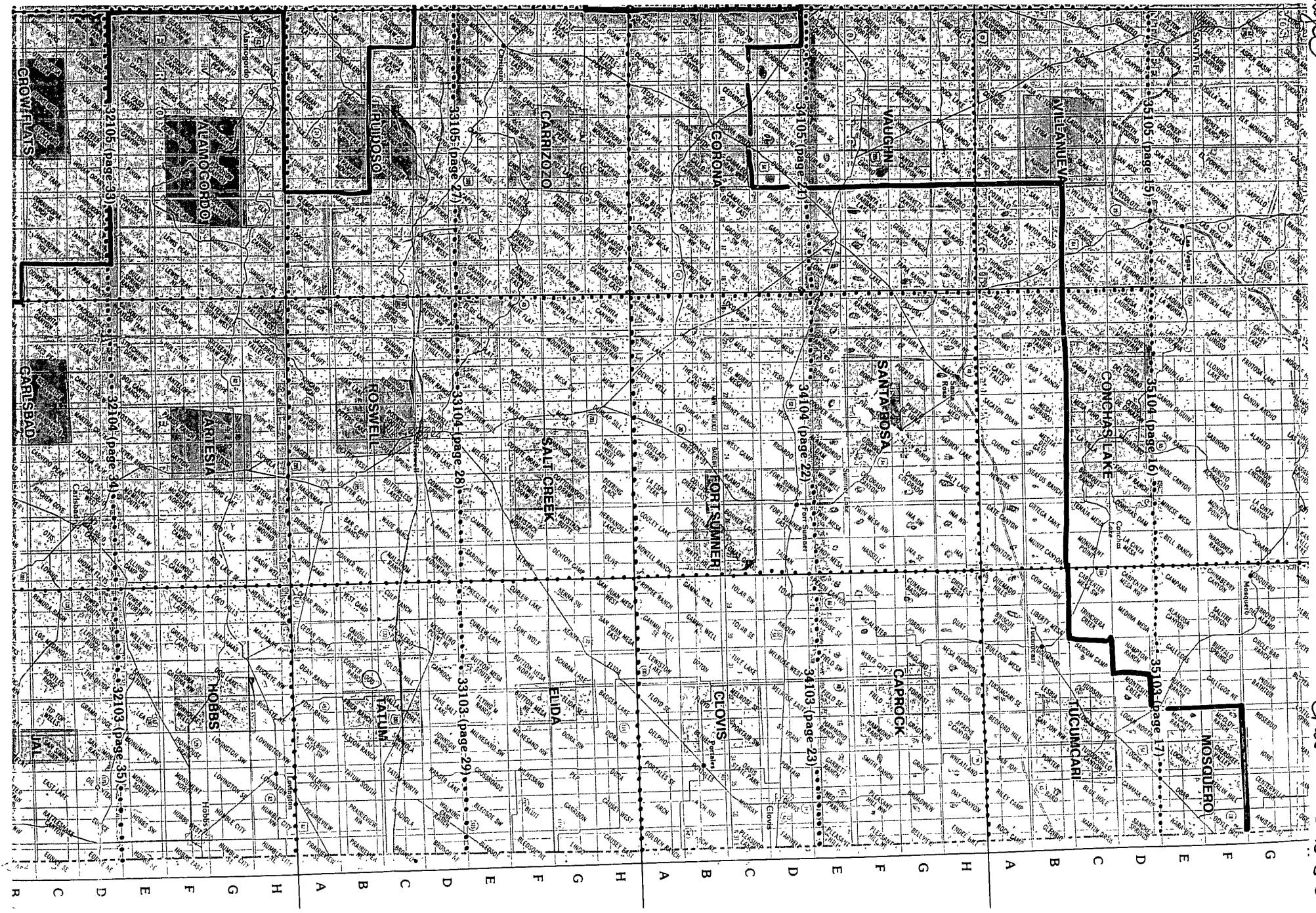
Survey Date: 7/26/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0926	Dr By: AR
Date: 7/31/07	Disk: 07110926
	Rev 1: N/A
	Scale: 1"=100'



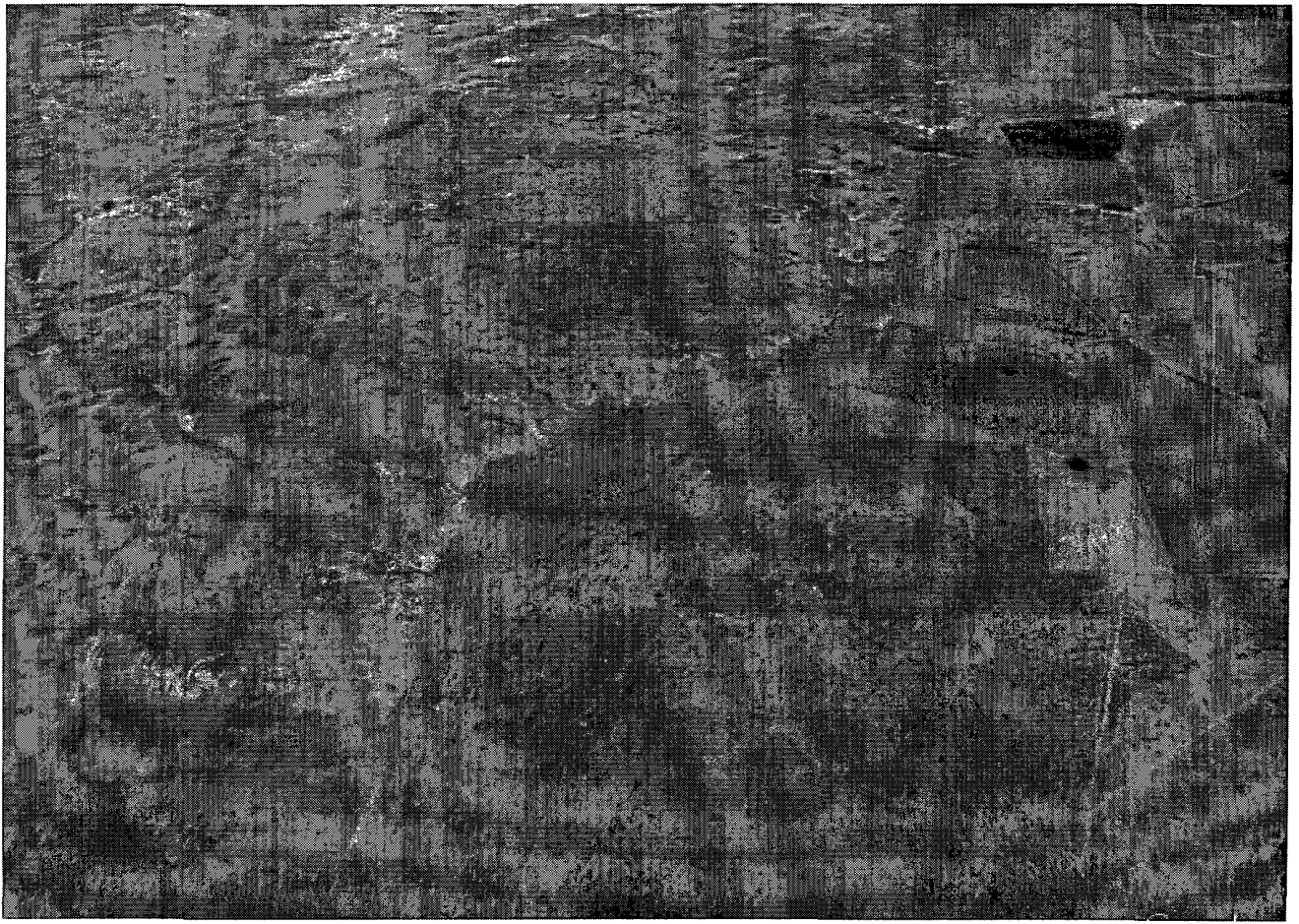
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



Unusable
names



Unusable
B's just 2



Application for Temporary Pit (C144) with Attachments

To: OCD District II
1301 W. Grand Avenue, Artesia, NM 88210

**MCKAY OIL CORPORATION - CHAROLETTE "B" FEE #2
2130' FNL & 1650' FWL, SE¼NW¼, Unit F, SEC17, T6S, R23E
API: 30-005-63986**

McKay Oil proposes to air drill the well and open hole test the ABO formation. Fresh water is to be used to pump the cementing plug down. The water will later be displaced with air before drilling out with air and mist for an open-hole completion.

The following attachments are submitted to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. C-144 Permit Application
2. Design and Construction Specifications
3. Operating and Maintenance Plan
4. Closure Plan
5. Closure Plan – Alternate Method
6. Previously Approved Design
7. Proof of Surface Owner Notice
8. Siting Requirements
 - a. Ground Water – less than 50' below bottom of buried waste
 - b. Ground Water – between 50' & 100' below bottom of buried waste
 - c. Ground Water – more than 100' below bottom of buried waste
 - d. Within 300' of continuously flowing watercourse, or 200' of other significant lakebed, sinkhole or playa lake.
 - e. Within 300' from a permanent residence, school, hospital, institution, or church.
 - f. Within 500' horizontally of private, domestic fresh water well or spring, or within 1000' horizontally of any other fresh water well or spring.
 - g. Within incorporated municipal boundaries of fresh water well field covered under municipal ordinance.
 - h. Within 500' of a wetland
 - i. Within the area overlying a subsurface mine.
 - j. Within an unstable area.
 - k. Within a 100 yr. floodplain.
9. Maps

S

**JUL 23 2008
OCD-ARTESIA**