



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

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
☐ Oil Well ☒ Gas Well ☐ Other

SEP 24 2008

2 Name of Operator **McKay Oil Corporation**

OCD-ARTESIA

3a Address
PO Box 2014, Roswell, NM 88202-2014

3b Phone No (include area code)
505.623.4735

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
2130'FWL & 1980'FSL, Sec. 18, T6S, R23E

5 Lease Serial No
NM 32323

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No.
Snakeweed B Federal #1H

9 API Well No
30-005-64002

10. Field and Pool, or Exploratory Area
W. Pecos ABO Slope

11 County or Parish, State
Chaves, NM

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 Reserve Pit Leak
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

- 13 Describe 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.)

Operator reports that the reserve pit liner was breached on the south side of the reserve pit and approximately 125 BW has leaked on to the ground. The water is contained on the location by the dirt berm on the southside of the pit. Operator has a vacuum truck on location and is removing the water. Notice has been given to the OCD Artesia, NM. Operator intends to move the rig from the Snakeweed B Fed. #1 location to the Lookout C Fed. #8, located at 2310'FNL & 990'FEL, Sec. 9, T6S, R22E. The remaining water in the breached reserve pit will be hauled to the Lookout C Fed. #8 reserve pit. The cuttings in the breached reserve pit, breached liner and all contaminated soil will be hauled to Gandy Marley Disposal Facility. Once the contamination has been remediated in accordance with OCD requirements, Operator will then re-line the reserve pit and resume drilling.

ACCEPTED FOR RECORD

SEP 25 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

14 I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

James L. Schultz

Title

Agent

Signature

Date

09/19/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
 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.

Title

Geologist

Date

9/18/09

Office

RFO

Title 18 USC Section 1001 and Title 43 USC Section 1212, make 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 page 2)