

Form 3160-4
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1301 W. Grand Avenue

Anesia, NM 88210

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

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1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Otherb. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____2. Name of Operator **McKay Oil Corporation**3. Address **PO BOX 2014, ROSWELL, NM 88202-2014**3a. Phone No. (include area code)
575-623-4735

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **Unit H, 990' FEL and 2310' FNL**

At top prod. interval reported below

At total depth **3000'**14. Date Spudded
09/22/200815. Date T.D. Reached
10/06/200816. Date Completed **11/30/2008**
☐ D & A ☒ Ready to Prod.5. Lease Serial No.
NM-36192

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
LOOKOUT C FEDERAL #89. AFI Well No.
30-005-64041 005110. Field and Pool, or Exploratory
West Pecos Abo11. Sec., T., R., M., on Block and
Survey or Area **SEC9, T6S, R22E**12. County or Parish **Chaves**13. State
NM17. Elevations (DF, RKB, RT, GL)*
4331'18. Total Depth: MD **3000'**
TVD19. Plug Back T.D.: MD **2844'**
TVD20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

GR, CCL22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	J55, K55	24#		950'		425sks "C",			
						450sks CNeat			
7 7/8"	J55	15.5#,		3000'		250sks "C"			
		17#							

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	2885.28'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Abo	2786'	2840'	2786' - 2792'	0.43"	2spf	open
B)			2802' - 2840'	0.43"	2spf	open
C)			2850' - 2856'	0.43"	2spf	closed
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
2786' - 2856'	Frac w/10,570 lbs 100/mesh sand, 11488 lbs 20/40 Ottawa, 47,688 lbs 20/40 resin coated sand. Acidize with 3,000 gal 15% acetic acid.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/30/2008	11/30/2008	4331'	→	n/a	133	0	n/a	n/a	Flowing
Choke Size	Tbg Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
32/64	SI 125	280	→	n/a	798	0	n/a	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

*(See instructions and spaces for additional data on page 2)

Accepted for record

ACCEPTED FOR RECORD
JAN 15 2009
DAVID R. GLASS
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Tubb Abo Yeso	2573' 2801' 1077'				

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
☐ Core Analysis
☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Carol ShanksTitle Production Analyst

Signature

Date 12/30/2008

Title 18 U.S.C Section 1001 and Title 43 U.S.C 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.

McKay Drilling Corporation

Roy L. McKay, President

Mailing Address: P.O. Box 2014 Roswell, NM 88202 * Telephone 575 / 623 - 4735

Street Address: One McKay Place Roswell, NM 88201 * Fax No. 575 / 624 - 2202

OIL
&
GAS

December 30, 2008

Bureau of Land Management
Attn: Angel Mayes
2909 W. Second Street
Roswell, NM 88201-2019

RE: Lookout C Fed #8
2310' FNL, 990' FEL, Unit H, Sec 9, T6S, R22E
Chaves County, New Mexico

Spud 09/22/08


DEVIATION SURVEY

2.5	°@	500'
2.7	°@	560'
2.7	°@	620'
1.9	°@	900'
1 ½	°@	1500'
1	° @	2880'

TD 3000 '

Released Date 10/13/08

Sincerely,



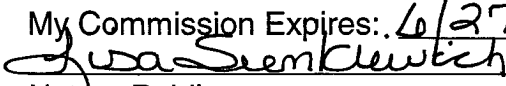
Carol Shanks
Production Analyst

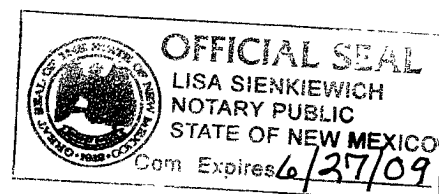
STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing instrument was Acknowledged before me this 30th day of December, 2008, by the person known to me to be Carol Shanks.

My Commission Expires: 6/27/09


Notary Public



LEASES

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PRODUCTION

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INVESTMENTS