

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|------------------------------------------------------------------------------------------|
| WELL API NO. 30-005-63385 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☐ Other

RECEIVED

2. Name of Operator
McKay Oil Corporation

DEC 12 2003

3. Address of Operator
P.O. Box 2014 Roswell, NM 88202-2014

OCD-ARTESIA

4. Well Location

Unit Letter A : 960 feet from the NORTH line and 660' Feet from the East line

Section 2 Township 7S Range 22E NMPM Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
4163'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER:



SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER:



12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

MCKAY OIL CORPORATION FORMALLY REQUESTS A ONE YEAR EXTENSION FOR THE NEW MEXICO "CS" STATE #3B. APD EXPIRED 11/22/03. THIS LOCATION HAS NOT BEEN MADE AS WE ARE AWAITING PRODUCTION OF OFFSET WELL.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE VICE PRESIDENT DATE 12/11/03

Type or print name _____ Telephone No. _____
(This space for State use)

APPROVED BY [Signature] TITLE District Supervisor DATE DEC 15 2003

Conditions of approval, if any:

ROY L. MCKAY, PRESIDENT

MAILING ADDRESS: P.O. BOX 2014 ROSWELL, N.M. 88202 • TELEPHONE 505 / 623 - 4735
STREET ADDRESS: ONE MCKAY PLACE ROSWELL, N.M. 88201 • FAX NO. 505 / 624 - 2202

**OIL
&
GAS**

December 11, 2003

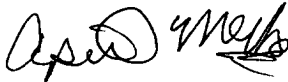
Oil Conservation Division
Bryan Arrant
1301 W. Grand Avenue
Artesia, NM

Re: H2S Contingency Plan-NM CS State #3B

Bryan,

Please see attached Contingency Plan-H2S for the New Mexico "CS" State #3B located in Sec 2, T7S, R22E 960' FNL & 660' FEL in Chaves County. Should you need any further information, please contact me at 505-623-4735.

Sincerely,



April McKay
Vice President

RECEIVED

DEC 12 2003

OCD-ARTESIA

**MCKAY OIL CORPORATION
P.O. BOX 2014
ROSWELL, NM 88202-2014
505-623-4735**

**HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN FOR THE
NEW MEXICO "CS" State #3B
LOCATED IN SEC 2, T7S, R22E IN
CHAVES COUNTY, NEW MEXICO**

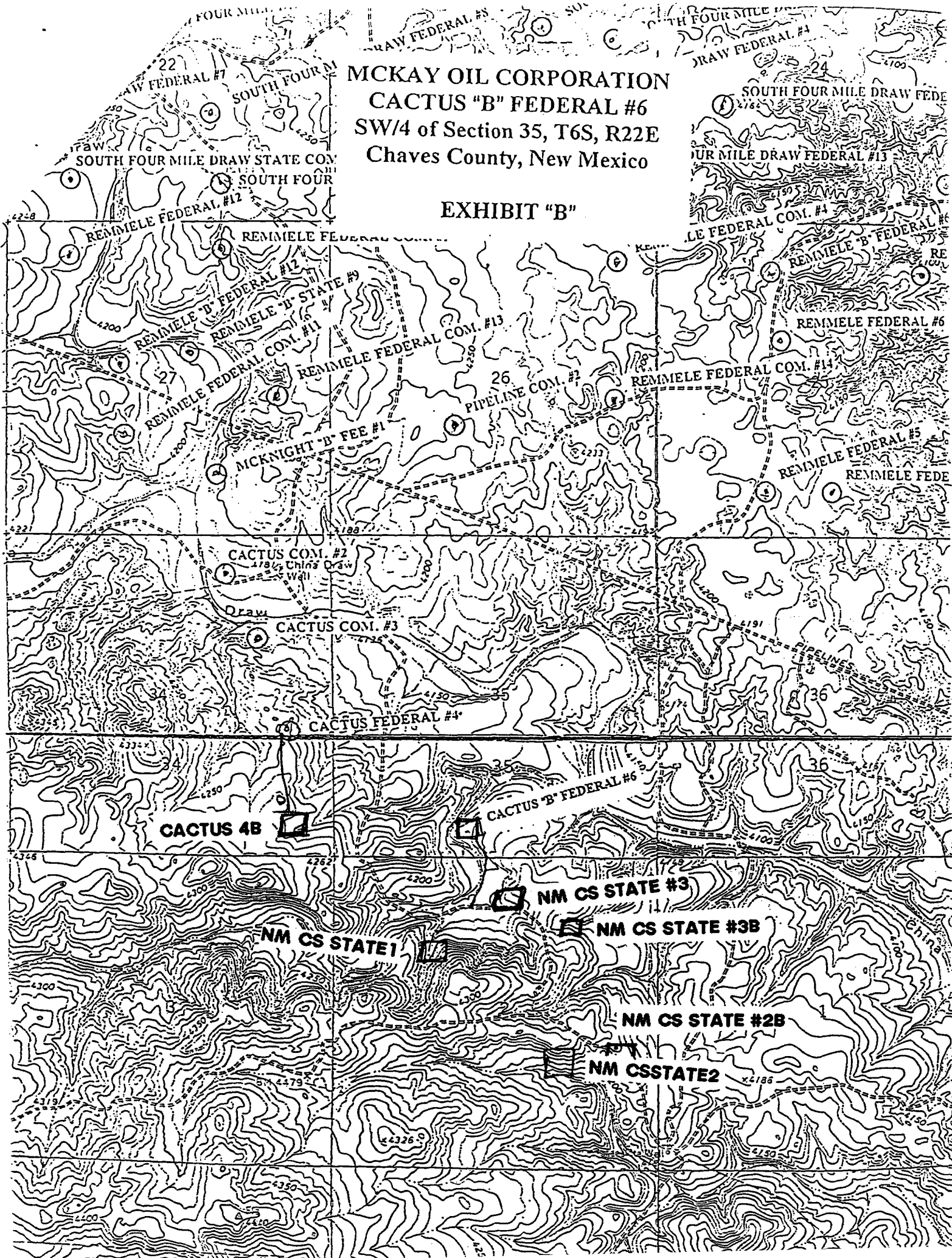
**NO HYDROGEN SULFIDE OR OTHER HAZARDOUS GASES OR FLUIDS
HAVE BEEN ENCOUNTERED, REPORTED OR KNOWN TO EXIST AT THIS
DEPTH IN THIS AREA.**

NEW MEXICO “CS” STATE #3B

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

MAPS-SEE ATTACHED

EXHIBIT "B"



EMERGENCY PROCEDURES

In the case of a release of gas containing H₂S, the first responder must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder must evacuate any public spaces encompassed by the 100 ppm ROE. First responder must take care not to injure themselves during the operation. Company and or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs on order to control the release. Use the "buddy system" to ensure no injuries occur during the response.

IGNITION OF GAS SOURCE

Should control of the well be considered lost and ignition considered, take care to protect against exposure of sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

CHARACTERISTICS OF H₂S & SO₂

| COMMON NAME | CHEMICAL FORMULA | SPECIFIC GRAVITY | THRESHOLD LIMIT | HAZARDOUS LIMIT | LETHAL CONCENTRATION |
|------------------|------------------|------------------|---------------------|-----------------|----------------------|
| HYDROGEN SULFIDE | H ₂ S | 1.189 AIR =1 | 10 PPM ⁴ | 100 PPM/HR | 600 PPM |
| SULFUR DIOXIDE | SO ₂ | 2.21 AIR =1 | 2 PPM | N/A | 1000 PPM |

CONTACTING AUTHORITIES

McKay Oil Corporation personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. be prepared with all information available. The following call list of essential and potential responders must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan (HMER).

MCKAY OIL CORPORATION CALL LIST

| CHAVES COUNTY (505) | OFFICE | CELL PHONE | HOME PHONE |
|----------------------------|---------------|-------------------|-------------------|
| HUMBERTO PEREZ | 625-1154 | 626-8580 | 627-1985 |
| JIM ROBINSON | 625-1154 | 626-8579 | 624-1093 |
| APRIL MCKAY | 623-4735 | 626-8575 | 625-2848 |

CHAVES COUNTY (505) ROSWELL

| | |
|-------------------------------------------|---------------------------------------|
| STATE POLICE | 622-7200 |
| CITY POLICE | 911 or 624-6770 |
| SHERIFF'S OFFICE | 624-6500 |
| AMBULANCE | 911 |
| FIRE DEPARTMENT | 624-6800 |
| LEPC (Local Emergency Planning Committee) | Teresa Barncastle 624-6770 ext 129 |
| NMOCD | 748-1283 |
| ENMMC (Hospital) | 622-8170 |