

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

9-9-97

Mc Kay Oil Corporation
P.O.Box 2014
Roswell, NM. 88201

Re; Properly Abandoned Wells.

Dear Mr. Mc Kay;


For your convenience I have enclosed a copy of Ray Smith's letter dated September 11, 1996 with a list of wells that have no reported production as far back as 1993. To date there has been no response from you in regard to that letter.

Upon checking your production there may be a well or two that could be taken from this list, while we need to add your Desert Rose # 1 to the list.

Also, this office has ask for and not received subsequent reports of work done on your Corntrust # 1 and # 2 wells, as well as the Macho State # 2.

I am asking you to provide the above forms which are necessary to keep our files current and to provide a plan to bring your nonproducing wells into compliance with rule 201. Failure to respond to this request by October 15, 1997 will result in us asking our legal department to schedule a hearing in Santa Fe so you may appear and show cause why these wells should not be plugged.

Yours truly,


Tim Gum

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drewes DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.
30-005-61044-0000

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
LG-5572

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 G-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL WELL	<input type="checkbox"/>	GAS WELL	<input checked="" type="checkbox"/>	OTHER
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2. Name of Operator
McKay Oil Corporation

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

4. Well Location

Unit Letter J : 1980 Feet From The South Line and 1980 Feet From The East Line

Section 16 Township 6S Range 23E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
2405'

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
<input type="checkbox"/> (a) Obtain a copy of the information	<input type="checkbox"/> (a) Obtain a copy of the information
<input type="checkbox"/> (b) Obtain a copy of the information	<input type="checkbox"/> (b) Obtain a copy of the information
<input type="checkbox"/> (c) Obtain a copy of the information	<input type="checkbox"/> (c) Obtain a copy of the information
<input type="checkbox"/> (d) Obtain a copy of the information	<input type="checkbox"/> (d) Obtain a copy of the information
<input type="checkbox"/> (e) Obtain a copy of the information	<input type="checkbox"/> (e) Obtain a copy of the information
<input type="checkbox"/> (f) Obtain a copy of the information	<input type="checkbox"/> (f) Obtain a copy of the information
<input type="checkbox"/> (g) Obtain a copy of the information	<input type="checkbox"/> (g) Obtain a copy of the information
<input type="checkbox"/> (h) Obtain a copy of the information	<input type="checkbox"/> (h) Obtain a copy of the information
<input type="checkbox"/> (i) Obtain a copy of the information	<input type="checkbox"/> (i) Obtain a copy of the information
<input type="checkbox"/> (j) Obtain a copy of the information	<input type="checkbox"/> (j) Obtain a copy of the information
<input type="checkbox"/> (k) Obtain a copy of the information	<input type="checkbox"/> (k) Obtain a copy of the information
<input type="checkbox"/> (l) Obtain a copy of the information	<input type="checkbox"/> (l) Obtain a copy of the information
<input type="checkbox"/> (m) Obtain a copy of the information	<input type="checkbox"/> (m) Obtain a copy of the information
<input type="checkbox"/> (n) Obtain a copy of the information	<input type="checkbox"/> (n) Obtain a copy of the information
<input type="checkbox"/> (o) Obtain a copy of the information	<input type="checkbox"/> (o) Obtain a copy of the information
<input type="checkbox"/> (p) Obtain a copy of the information	<input type="checkbox"/> (p) Obtain a copy of the information
<input type="checkbox"/> (q) Obtain a copy of the information	<input type="checkbox"/> (q) Obtain a copy of the information
<input type="checkbox"/> (r) Obtain a copy of the information	<input type="checkbox"/> (r) Obtain a copy of the information
<input type="checkbox"/> (s) Obtain a copy of the information	<input type="checkbox"/> (s) Obtain a copy of the information
<input type="checkbox"/> (t) Obtain a copy of the information	<input type="checkbox"/> (t) Obtain a copy of the information
<input type="checkbox"/> (u) Obtain a copy of the information	<input type="checkbox"/> (u) Obtain a copy of the information
<input type="checkbox"/> (v) Obtain a copy of the information	<input type="checkbox"/> (v) Obtain a copy of the information
<input type="checkbox"/> (w) Obtain a copy of the information	<input type="checkbox"/> (w) Obtain a copy of the information
<input type="checkbox"/> (x) Obtain a copy of the information	<input type="checkbox"/> (x) Obtain a copy of the information
<input type="checkbox"/> (y) Obtain a copy of the information	<input type="checkbox"/> (y) Obtain a copy of the information
<input type="checkbox"/> (z) Obtain a copy of the information	<input type="checkbox"/> (z) Obtain a copy of the information

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON XX

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

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.

McKay Oil Corporation will plug and abandon this well using the following procedure:

1. Set ^{25 sk}~~20~~ sks cement, plug at 3150' to 3100'. ^{25 sk cement 3150'-3050' TAG}
2. Set ^{25 sk}~~20~~ sks cement, plug at 1760' to 1710', stub tag plug. ^{25 sk 1815'-1715' TAG}
3. Set 15 sks cement, plug at 50' to surface.
4. Install Dry Hole Marker.
5. Rehabilitate surface of location and road per OCD requirements.

P&A should be completed on or before June 30, 1998.

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

SIGNATURE Bill J. Milstead
TYPE OR PRINT NAME Bill J. Milstead

TITLE Vice President

DATE 6-9-98

TELEPHONE NO. 623-4735

(This space for State Use)

APPROVED BY Mrs. S. W. Rife

Field Rep. II

DATE June 16-98

CONDITIONS OF APPROVAL, IF ANY: