# For Section 103(c), New Onshore Production Well

Mark below to indicate the materials reviewed and relevant to the request. Attach accordingly. Every blank should be checked to indicate that support data is attached or marked N/A indicate not applicable.

 $\nu$ 

. · ·

In conformance with Office of Management and Budget guidelines, data of a specific nature such as a Bureau of Land Management form, a directional drilling survey, etc., which has already been submitted to the Authorized Officer for another purpose, shall not be submitted again as a requirement but may be submitted voluntarily. If such data is not submitted, the applicant shall so indicate below that the data is on file with the Authorized Officer.

- 1. Revised Form FERC 121, "Application for Determination of the Maximum Lawful Price Under the Natural Gas Policy Act."
- Statements under oath as required by 18 CFR 274.204, as amended, for each application.
- 3. A statement that completed copies of revised Form FERC 121 have been forwarded to the purchaser(s) and to the colessee(s) and/or the working-interest owners.
- Form 9-330\* "Well Completion or Recompletion Report and Log."

- 5. A plat locating and identifying the well of interest and the outline of the proration unit. Also, identification and explanation of any other wells within the proration unit.
- 6. A copy of the State Spacing Order or, as applicable, the appropriate reference to a State regulation and/or a Federal units agreement.

 $\mathcal{V}$ 

7. For a new well which was spudded on or after February 19, 1977, and drilled as an additional well into an existing protation unit, a copy of the record developed prior to the commencement of drilling (as reasonably possible to do so), with geological and engineering support data included, sufficient to support a finding that the new well is necessary or a copy of the State Spacing Order allowing the exception well within the spaced area. Also, support data acquired after commencement of drilling, as appropriate.

8. Other:

\*Will be renumbered within BLM 3162 series following conversion of operating regulations from Title 30 to Title 43 of the CFR.

Mc. Kay Oil Corporation\_\_\_\_

ROY L. MCKAY PRES DENT HOME OFFICE, P.O. BOX 2014 ROSWELL, N.M. 88202 . TELEPHONE 505/623-4735



March 16, 1987

Roswell Daily Record 2301 North Main Street Roswell, New Mexico 88201

Attention: Legal Advertising

Gentlemen:

McKay Oil Corporation desires to place a public notice in your newspaper for one day. The notice is attached.

Please place this notice in your paper on March 30th and forward a copy of it along with your billing to:

McKay Oil Corporation P.O. Box 2014 Roswell, New Mexico 88201

Your assistance in this matter is appreciated.

Yours very truly,

McKAY OIL CORPORATION

Cindy L. Kelton

Assistant to the President

.

Attachment

•

۰,

## <u>NOTICE</u>

MEKAY OIL CORPORATION hereby gives notice that it has filed with the United States Department of the Interior, Bureau of Land Management, Assistant District Manager for Minerals, in Roswell, New Mexico, for a category determination under Section 103(c) and Section 107(c) of the Natural Gas Policy Act of 1978 on the following property.

Well:	Four Mile Draw Federal 🕯	8
Location:	Section 15, T6S-R22E	
County:	Chaves County, New Mexic	: 0

Written comments will be accepted by the Authorized Officer commencing with the publication date and continuing for at least 21 days following the placement of a preliminary category determination in the State BLM or Regional MMS Public Records Office.

۰.

## APPLICATION PURSUANT TO SECTION 103(c) of THE NATURAL GAS POLICY ACT (NGPA) OF 1978

## AFFIDAVIT

STATE OF NEW MEXICO

and the second second

363

e la same a cos

COUNTY OF CHAVES

BEFORE ME, the undersigned authority, duly commissioned and qualified within and for the State and County aforesaid, preso-nally came and appeared Cindy L. Kelton, who, being by me first duly sworn, deposed and said:

That she is the Assistant to the President of McKay Oil Corporation, the applicant for the well as described heretofore in this application, and in that capacity, she is requesting the appropriate Authorized Officer to determine the eligibility of said well for wellhead pricing purposes pursuant to the rules and regulations of the Bureau of Land Management and the Federal Energy Regulatory Commission (FERC) and to the NGPA.

That to the best of her information and knowledge the surface drilling of the well for which she seeks a determination was begun after February 18, 1977, and that the well satisfies any applicable Federal or State well-spacing requirements.

She further states that application is made pursuant to 18 CFR 274.204(d) and that the well is not within a State law proration unit: (1) which was in existence at the time the surface drilling to the well began; (2) which as applicable to the reservoir from which natural gas is produced; and (3) which applied to any other well which either produced natural gas in commercial quantities or the surface drilling of which began before February 18, 1977, and was thereafter capable of producing natural gas in commercial quantities.

That she has concluded that to the best of her information and knowledge, the natural gas for which she seeks a determination is produced from a new onshore production well, and that he has no knowledge of any other information not described in the application which is inconsistant with this conclusion.

She further states that she has mailed, or caused to be mailed, postage prepaid, a copy of the completed revised Form FERC 121, "Application for Determination of the Maximum Lawful Price Under the Natural Gas Policy Act," to the purchaser(s) and the colessee(s) and/or working interest owners, which are listed separately.

To the best of her knowledge and belief, all information contained in this application for category determination, pursuant to the NGPA, is true and correct including all documents, testimony, and evidence submitted with the application.

Signed Cindy L. Kelton Assistant to the President

McKAY OIL CORPORATION

Subscribed in my presence and duly sworn to before me, this <u>l6th</u> day of <u>March</u>, 1987.

My Commission Expires: <u>1-30-88</u>

e e senten	ن الم		No Payon non the	ery 12.11 US 14+ 11.3	Retty Managers
Tracs 605 8+0' * 41 	Trans Gos, 2101 5   91 36103	Inексо В · I · 08 32308	Tromwesternfios.eta: (McKay 0:1) 11 1 88 → → 92322 ∏27_2	Transwestern Gas Suppiy (McKay Oil) 37927	Yotes Pet 10:11:03 Rio Petro Mat 3:25% C 106 7:29 Mat
MIDLAND COMPECO		2 4 05	ی جار - جار -	6 <del>*</del> *¦,	Betty Moots, etal 9 McWhorter, Est Brity
WIOLAN US	JS. P.B.S. P.	Tune Brown ちん はままっかり ひま	- al Miller-Fed	Middle Fork-Fed." US	BY BUAID28 BY BUAB43 Tronswest n Gos. Hel (McKoy Oil) Fire Mile Tonk-Fed U S
Same pil)	McKaylai Transwestern Gus, etai M <b>BP</b> 36 193	M:: KayOri Transwestern Gas, etw S I - Bi 36197	// McKayOil, etal #0P 	Mitchell Ener, etol 6 is:85	McCletion Oil Transwestern Trc 6 1.053 (Ges.ChickayOil) 6 6971 Le-5578
	14	13	- <del>J</del> <sup>19</sup>	WR Mcknight Mckay Oil Transwestern Gosetol II-1 88 Transwash 32923 Gos Supply	ـــــا ا6 ≵' <u>عمح</u>
Fourmile Draw-Red. 2	"Four Mile o 3 Draw!"	U S		32923 Got Surray Fire And U.S.	"most st" 6 23
Mc Kay Or Transmission Gos, eral O 5-1-31 36194 Four	Mc Nay Od Transwisstern Gas, etal 5 - t - 91 36 1 94	McKay Oil Transwerth 655647 Yang 5 (1 5) 36154 6 1 5	4 McKayOil McKayOil 10. Max Drip 12 6. 19. 83 	Stevens Dit Michell Michell	Fred Paol Stevens Dit didicheil Energhal Tri dis Principal Colorado Mitchell Ener 3:20 06 Mitchell Ener
le Draw" Meso 22 " " " " " "	Mesa MTS.W 11 26 42 8. m	24 "So. Four 6 Mile Draw" 6	Royale Fee #1 19 Royale Fed Com#1	20 sterns Oper MEM-refer	21 Stevens Oper Stevens Oper Fred Paol Machine
Poy	Kennon Pay F-334 US	vs le	Tronsectorn Gos, etci H-1 88 W R. Mr. U.S. 32351 Kn. 2n <sup>4</sup>	<u>U.S.</u>	US WR Mcknight Tronsweeth Gos Supply
Meso Rennor LC 5574 Pour ASS 28 Pour Dr. 35	Puck  T  Mc Kaylit    Annon  1  TronswesternGos,etal    1  3615t  Mc Raylit    1  3615t  Mc Raylit    Mc Raylit  Starters  Dir    Trons  Micratilianticetol  Micratilianticetol    Mc Raylit  Starters  Dir    Trons  Micratilianticetol  Micratilianticetol    Mc Raylit  Starters  Dir    Cost.etal  3.27  B6    S 1.91  26  Dir	Mc Kay Od Transmettern Gos, etal 3 36195 "Remmele" 75 25 1/2	(.405 Mi- Murchell Mitchell Emergen Finer etal Tex Mex Dig Vt Files. Mex. Jey Vt 30 Jey Vt 30 Jey Mana Draw File Murchell Emergen Galanti China Draw	29 w#w:	(McKoy O(1,eta)) (McKoy O(1,eta)) (1 + 98 gr35z 8 Ø <sup>4</sup> 28
U V V V V V V V	US Comence Johum US.	17.24.11 4.13 + - Tronswesternet, con 2 1361361 50.5.	5844 Hu Fed Comm* Hie USH knight K.R. McKnight	Nelvin-Fed " US.	*McKnigH-Fed."
Without Ever Me Free Hori Ur etoi Tea Mea Drig Mir Roy Gui 1 (25) Tronnester Toos etoi (3615)	Sievens Oil Car Ma Mitchel Lectrol Lar Sievens franziska (* 1 5. Sievens franziska (* 1 5. Sieve	(MEG Per) Sun 4-t 41 - 5 9575 - 425 10	SAUSME China Dr SAUSME Caghi Com		Transwestern Gas (Nekoy Dil) LG:5573 X2 \16 Mala
adgus Kul Mishing Affers 	инстин Тусбаган Чин Туски бабара 6 се	36 2.433 /*14 Methiosof 170 316		32	33
ي S.	¢ <b>4</b> -	Chino Drow-St* State	S.947 HE U.S.	"Macho-St" State	* Atacho-\$+ \$+c+t
21 31 21 Votes Pet. ⊥ 3 1 3 ⊥ -	4  3  2    Exxeen	41 Mr50 Prt (Fred), Madema (Payl, Jr.) 56653 2491	19 Mere Pet 19 Mere Pet 10 Me	4 3 2i 1 3 ∩ mas man - ⊥ ⊥ ⊥	
367(3	Abd Disc Cool of 2 State of the state of the	2 5 Mill Si Ullion Crone 1 1 Minus.	1011 5 (Minchell 1011 5 (Minchell 1011 5 (Minchell 1011 5 (Envremißin) 1011 5 (Envremißin)	5 VES 5 Mesa Per Mocho-Fed- <u>11</u> T0340C ~ 21	4
U.S	"NM-St" State	(MTS YE) MESO YE K Mauguerette Haley, et al	1 - Were Pet AS 3.1 Mile	U S	
м*5 Ltd. <sup>b</sup> 2 Me50 ∕2 n 8Р 36707	Mrsurz Mesurz Basics Align	3: 25 % 4:0 86 (M TS ¥2) Mesa Pet	Mesa, etai 2 X awy 32 Mesa (MTS 1/2) y but a X awy 32 Mesa (July 34 Mesa (July 34 Mesa (July 34	Meso Peri-Vi I deso Peri-Vi	(MTS ½) Meso <del>Per</del> Lo 6675 3t 4 3t 5 9 <sup>1/M</sup> 36M
10	11	12 36653 Aury A C Williams Roberto E, 252 Dorethy Milliams As East As East As East US		<b>₩</b> 4	。
U.S. Votes Pat	U.S. Writes Het. 3 91	(MTS Vg) 45	Macho Fed 37 320411	Macho-fed U.S. Fiorence McKnight (MTS Y2) Mesa,etal Mesa Pet. 15.09 HB:	"Round Top-State" State Yores Pet
3 1 91 96 (C2	** 702	1993 977 - 54 Meso Pyr 36659	₩ 550 PM Meso PM 	Meso Pero Ling 36648 Lorence Mickingh w 9 Lignali 7 4 Mil	1

#### STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

TONEY ANAYA GOVERNOR

ŗ

LAND COMMISSIONER JIM BACA, MEMBER OIL CONSERVATION COMMISSION

STATE PETROLEUM ENCINEER JOE D. RAMEY, MEMBER AND DIRECTOR; OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

PRINCIPAL OFFICE: STATE LAND OFFICE BLDG., CLD SANTA FE TRAIL, SANTA FE MAILING ADDRES3: P. O. BOX 2088, SANTA FE, NEW MEXICO 87501

TELEPHONE: (505) 827-5800

JOE D. RAMEY, DIRECTOR

DISTRICT OFFICES

TECHNICAL SUPPORT CHIEF RICHARD L. STAMETS

WATER RESOURCE SPECIALIST OSCAR A. SIMPSON

GENERAL COUNSEL PERFY PEARCE MICHAEL E. STOGNER GILBERT QULNTANA

GEOLOGISTS

ENGINEERS

CARL G. ULVOG ROY E. JOHNSON

DISTRICT I - HOBBS 88240

P. O. BOX 1980 Telephone: (505) 393-6151

J. T. Sexton, Supervisor and Oil & Gas Inspector

P. F. Kautz, Geologist & Deputy Oil & Gas Euspector

Deputy Oil & Gas Inspectors:

R. M. Castleberry

- D. Catanach
- E. W. Seay

Carlos Carlos

.

- A. A. Plattsmier
- O. W. Wink

DISTRICT III - AZTEC 87410

1000 Rio Brazos Road Telephone: (505) 334-6178

F. T. Chavez, Supervisor and Oil & Gas Inspector

J. A. Edmister, Geologist and Deputy Oil & Gas Inspector

C. C. Gholson, Deputy Oil & Gas Inspector

DISTRICT II - ARTESIA 88210

P. O. DRAWER DD Telephone: (505) 748-1283

L. A. Clements, Supervisor and Oil & Gas Inspector

Larry Brooks, Geologist & Deputy Oil & Gas Inspector

Deputy Cil & Gas Inspectors:

- M. B. Williams
- B. W. Weaver
- M. C. Stubblefield

DISTRICT IV - SANTA FE 87501

P. O. Box 2088 Telephone: (505) 827-5800

C. G. Ulvog, Geologist and Oil & Gas Inspector

R. E. Johnson, Geologist and Deputy Oil & Gas Inspector

PAUL BIDERMAN SECRETARY

ED KELLEY DIRECTOR, MINING AND MINERALS DIVISION AND MEMBER

#### II. Dat. Hun, Mie Arr Mi, and Sandoval Counties

#### (a) Wildeat Gas Vells

In San Juan, Rio Arriba, and Sandoval Counties, a wildcat well which is projected to a gasproducing horizon shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Lond Surveys, and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary.

In the event oil production is encountered in a well which was projected to a gas-producing horizon and which is located accordingly but does not conform to the oil well location rule below, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of oil can be given.

#### (b) Wildcat Oil Wells

A wildcat well which is projected to an oil-producing horizon as recognized by the Division shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 330 feet to any boundary of such tract.

In the event 3 as production is encountered in a well which was projected to an oil-producing horizon and which is located accordingly but does not conform to the above gas well location rules, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of gas can

# III. All counties except lea, Chaves, Eddy, Roosevelt, San Juan, Ric Arriba, and Sandoval

Any wildcat well which is projected as an oil well in any county other than Lea, Chaves, Eddy, Recsevelt, San Juan, Rio Arriba, and Sandoval shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter rection or lot and shall be located not closer than 330 feet to any boundary of

Any wildcat well which is projected as a gas well to a formation and in an area which, in the opinion of the Division representative spiroving the application to drill, may reasonably be presumed to be productive of gas rather than oil shall be located on a drilling tract consisting of 160 surface contiguous area, more or less, substantially is the form of a square which is a quarter section, being a legal subdivision of the U.S. Public Bad Surveys, and shall be located not closer than 660 feet to any other boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

# C. ACREAGE AND WELL LOCATION REQUIREMENTS FOR DEVELOPMENT WELLS

#### I. 011 Wells, All Counties

Unless otherwise provided in special pool rules, each development well for a defined oil pool shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of square which is a legal sublivision of the U.S. Public Land Surveys, or on a governmental quarter-quarter section or lot, and shall be located not closer than 320 feat to any boundary of such tract nor closer than 330 feat to the nearest well drilling to or capable of producing from the same pool, provided however, only tracts committed to active secondary recovery projects shall be permitted more than four wells.

#### II. Cas Wells

# (a) Lea, Chaves, Eddy, and Roosevelt Counties

Unless otherwise provided in special pool rules, each development well for a defined gas pool in a formation younger than the Wolfcamp formation, or in the Wolfcamp formation which was created and defined by the Division prior to Nevember 1, 1975, or in a Pennsylvanian age or older formation which was created and defined by the Division prior to June 1, 1964, shall be located on a designated drilling tract consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section being a legal subdivision of the U.S. Public Land Surveys, and shall be located not closer than 660 feet to any outer boundary of such tract nor closer than 330 feet to any quarter-quarter section or subdivision pool.

Unless otherwise provided in the special pool rules, each development well for a defined gas pool in the Wolfcamp formatics which was created and defined by the Division after November 1, 1975, or of Pennsylvanian age or older which was created and defined by the Division after June 1, 1964, shall be located on a designated drilling tract consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the U.S. Public Land Surveys. Any such well having more than 160 acres dedicated to it shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary. (For the purpose of this rule, "side" boundary and "end" boundary are as defined in Section B I(a) of this rule.)

۰.