

30-005-62316 C/SF

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKay Oil Corporation ✓

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, New Mexico 86201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1980' FWL & 660' FSL

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx. 21 miles north of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

3 miles

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4196' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0 J-55	900'±	850 cf cement circ.
7 7/8"	4 1/2"	10.5 J-55	TD	1200 cf cement including 480 cf to tie in 4 1/2" 8 5/8" from 1500' to 800'

We propose to drill and test the Abo formation. Approximately 900' of surface casing will be set and cemented to surface. If commercial, 4 1/2" production casing will be run and cemented with adequate cover, perforated and stimulate as needed for production.

MUD PROGRAM: See Supplemental Drilling Data which is attached.

BOP PROGRAM: BOP will be installed on 8 5/8" casing and tested daily.

Gas is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on sub-surface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

James L. Schults

TITLE Landman

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

S/Phil Kirk

APPROVED BY

TITLE Area Manager

CONDITIONS OF APPROVAL, IF ANY:

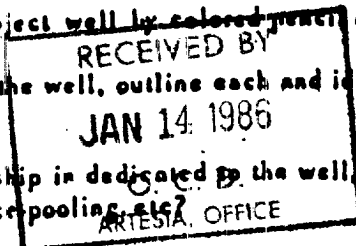
DATE 12-5-85

DATE 1-9-86

All distances must be from the outer boundaries of the Section.

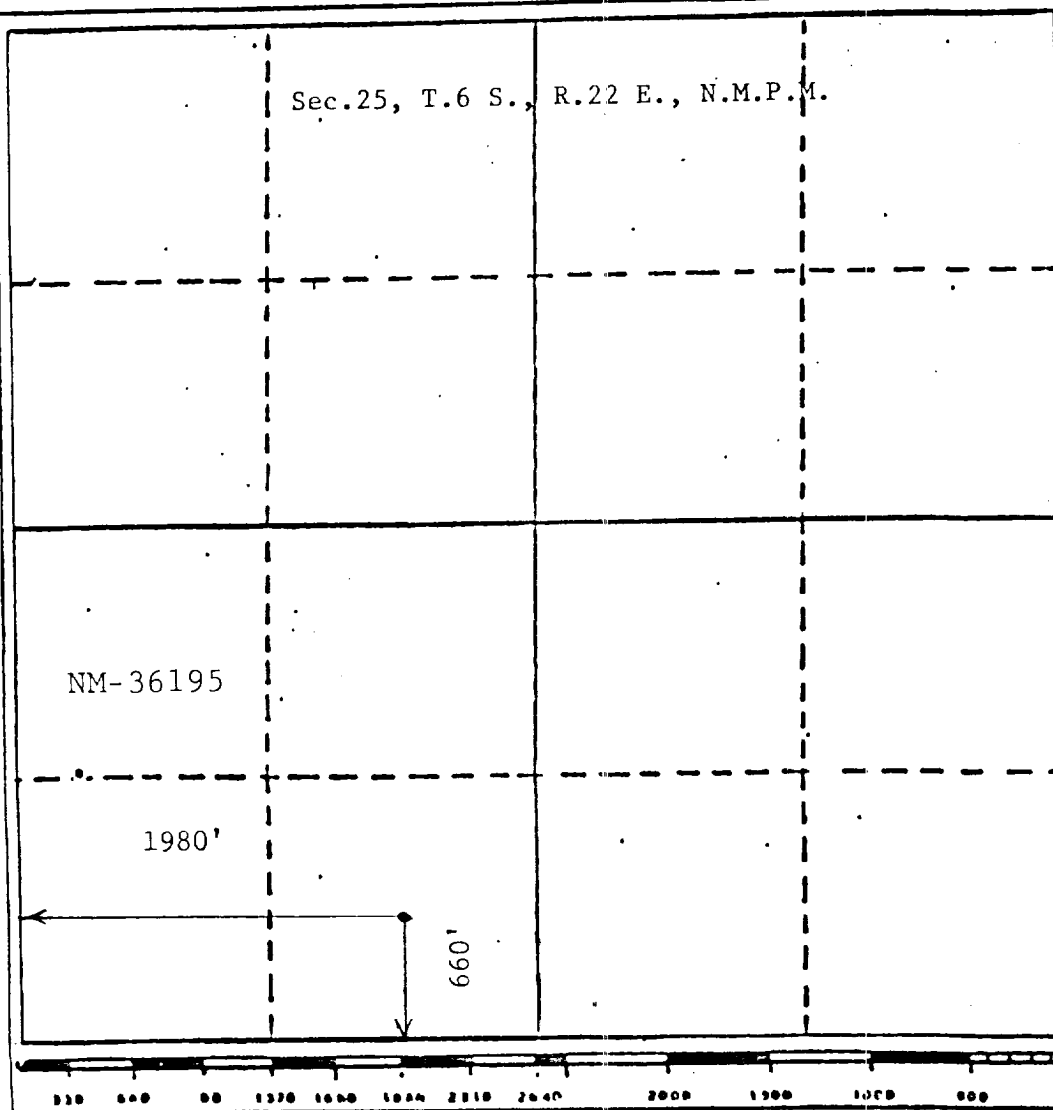
Operator McKay Oil Corp.		Lease Remmele Federal		Well No. #5
Unit Letter N	Section 25	Township 6 South	Range 22 East	County Chaves
Actual Wellbore Location of Well 660 feet from the South line and 1980 feet from the West line				
Ground Level Elev. 4196	Producing Formation Abo	Pool W. Pecos Abo Slope	Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, forced pooling, etc?
- ☐ Yes ☐ No If answer is "yes" type of consolidation _____



If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

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

James L. Schultz
Name
James L. Schultz

Position
Landman

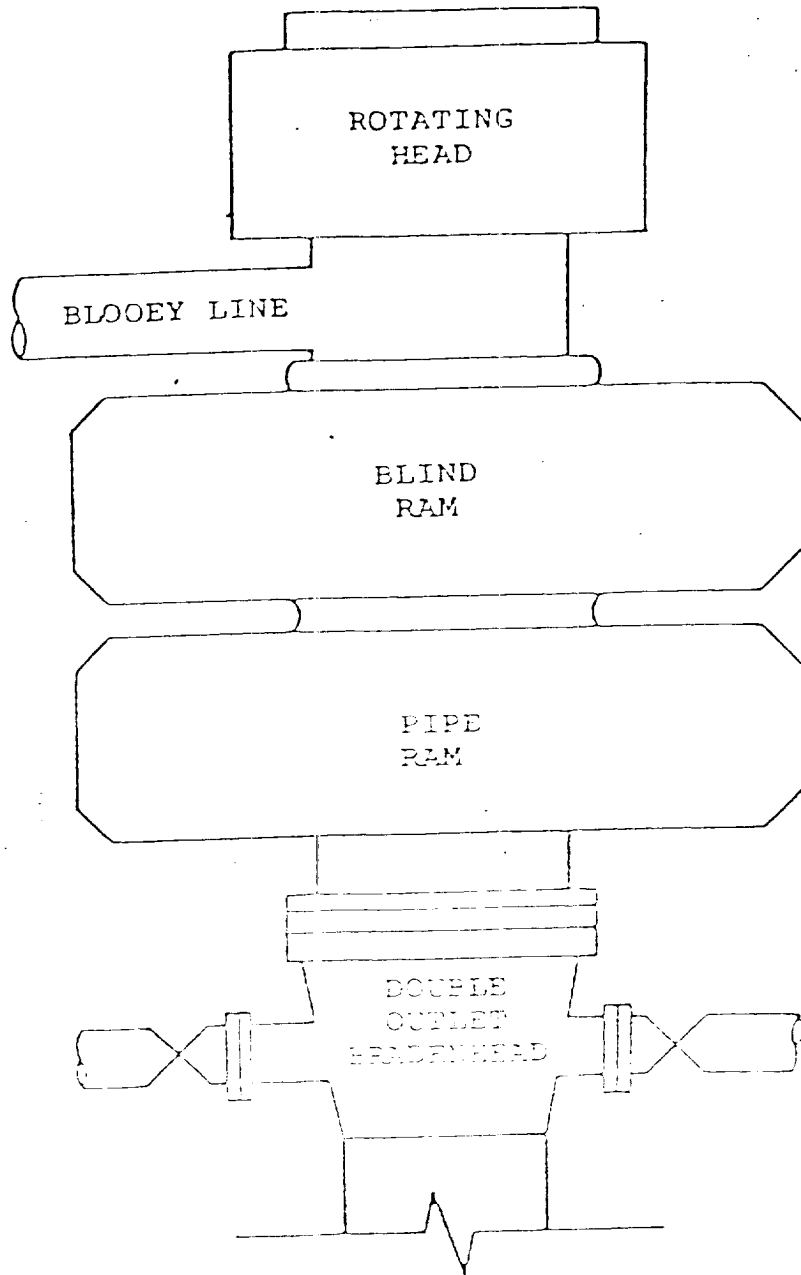
Company
McKay Oil Corp.

Date
12-5-85

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 21, 1985
JOHN D. JAGGESS
Registered Professional Engineer
and/or Land Surveyor
6290
J. D. Jaggess, R.E. & L.S.
Certificate No. 6290 PROFESSIONAL ENGINEER

MCKAY OIL CORPORATION
Remmele Federal #5
SE/4SW/4 Sec. 25-6S-22E
Chaves County, New Mexico



BOP STACK

5000 PSI WORKING PRESSURE

SUPPLEMENTAL DRILLING DATA

McKAY OIL CORPORATION
Remmele Federal #5
SE 1/4 SW 1/4 Sec. 25-6S-22E
Chaves County, N.M.

NM 36195

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

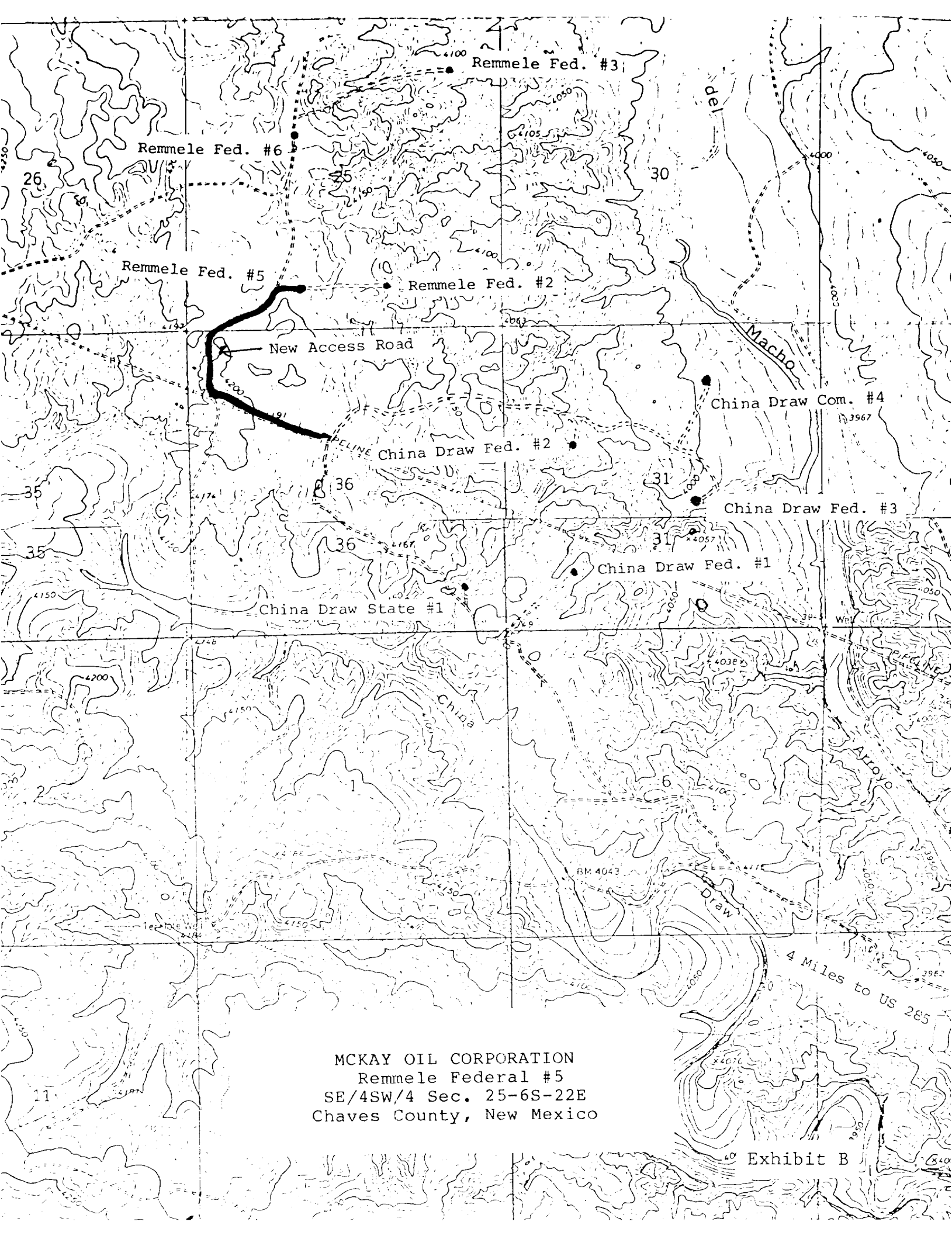
1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yeso	- 737'
Tubb	- 2277'
Abo	- 2957'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 2957'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of at least a double-ram blowout preventer rated to 3000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

0'- 696'	Line and gel, spud mud, viscosity 32 to 34 seconds.
696'- 2896'	Fresh water
2896'- TD	Start mudding up at 3300'; viscosity 36 to 38 seconds; water loss 10 cc or less; 3-5% Diesel; 2 KCL

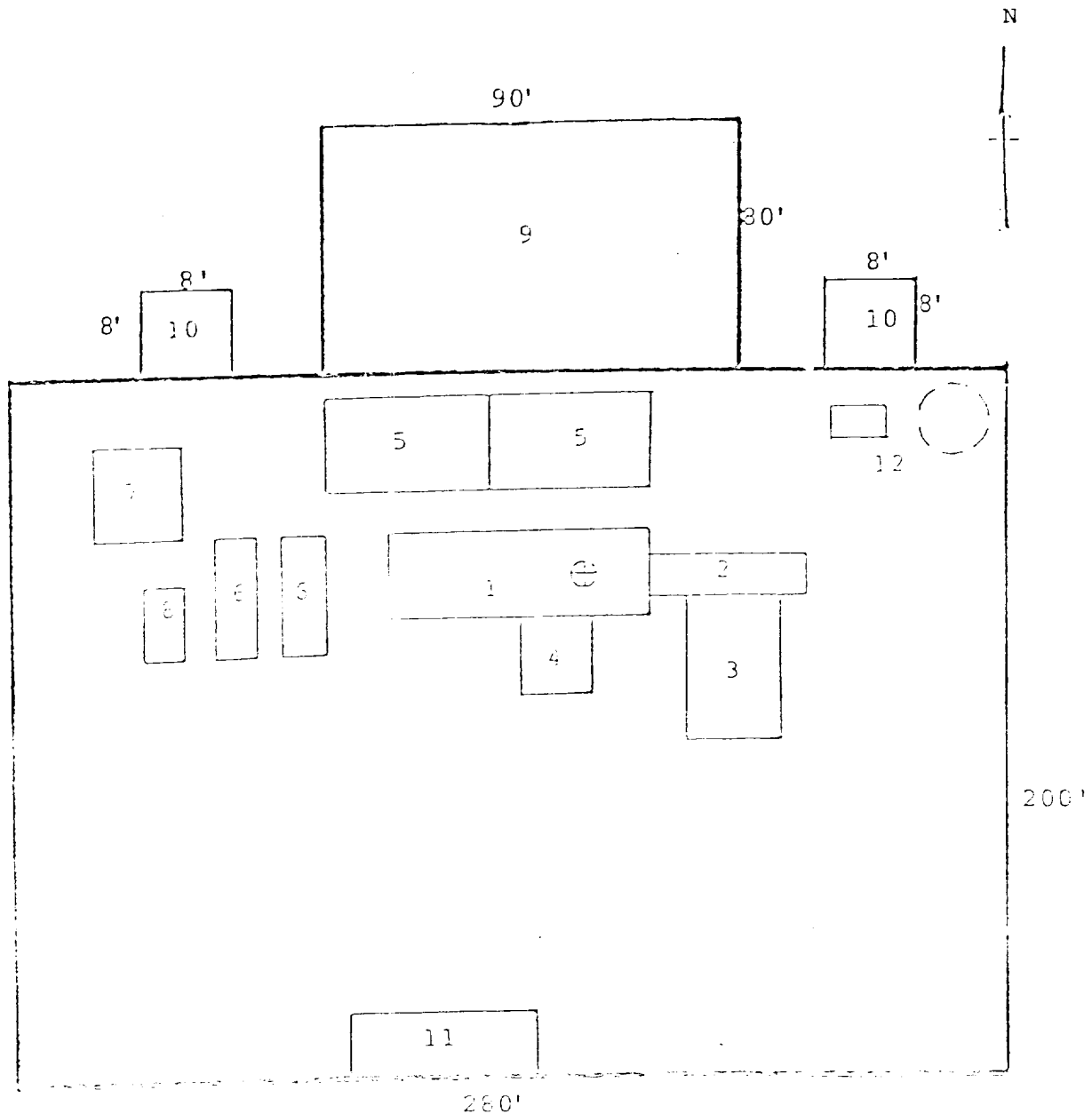
Mud additives will be used to control water loss.
7. AUXILIARY EQUIPMENT: full-opening kelly cock, to fit the drill string in use, will be kept on the rig floor at all times.



MCKAY OIL CORPORATION
Remmele Federal #5
SE/4SW/4 Sec. 25-6S-22E
Chaves County, New Mexico

Exhibit B

MCKAY OIL CORPORATION
 Remmele Federal #5
 SE/4SW/4 Sec. 25-6S-22E
 Chaves County, New Mexico



PIG LAYOUT

- | | |
|-----------------|---------------------------|
| 1. Substructure | 7. Water Tank |
| 2. Catwalk | 8. Light Plant |
| 3. Pipe Rack | 9. Reserve Pit |
| 4. Doghouse | 10. Trash Pit |
| 5. Mud Pits | 11. Trailer House |
| 6. Mud Pumps | 12. Production Facilities |