

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210  
FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM 93174
2. Name Of Operator McKay Oil Corporation /		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 2014, Roswell NM 88202-2014	3b. Phone No. (include area code) 505.623.4735	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1700 FWL & 660 FNL, Sec. 23 T5S R21E		8. Well Name and No. Rugged Federal #1
		9. API Well No. 30-005-62851
		10. Field and Pool, or Exploratory Area W. Pecos Slope Abo
		11. County or Parish, State Chaves County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Described Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent mar and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 31 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed. the operator has determined that the site is ready for final inspection.)

McKay Oil plans to perf, acidize and frac well as indicated on the attached procedure.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tricia Moore		Title Production Analyst
Signature Tricia Moore		Date 5/23/2002
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved By D. Chyn		Title PE
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Date 6/7/02
Title 18 U.S.C. Section 1001, makes 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.		Office RFU

## PERFORATE, ACIDIZE & FRAC PROCEDURE

May 23, 2002

**LEASE & WELL**     **RUGGED FED 1**  
SECTION 23, T5S, R23E  
CHAVES COUNTY, NEW MEXICO

Surface Csg:        1190', 8 <sup>5</sup>/<sub>8</sub>", 24#  
Production Csg:    3640', 4 <sup>1</sup>/<sub>2</sub>", 10.5# J55  
GL: 4240'            KB: 4246'

### PERFORATE

1. Rig up PU, remove all the surface production equipment.
2. RIH with RBP and set at about 3100', test RBP and Csg to 3000 psi with 2% KcL wtr.
3. Rig Up wireline company and perforate  
2920-2942' with 7 shots, 0.35", 120°F phase  
2840-2846' with 4 shots, 0.35", 120°F phase
4. RIH with Pkr and 2 <sup>7</sup>/<sub>8</sub>" Tbg. Set Prk at 2750', pressure backside to 500 psi.

### ACIDIZE & FRAC

Treat the perforation interval via 2 <sup>7</sup>/<sub>8</sub>" Tbg or 4 <sup>1</sup>/<sub>2</sub>" Csg at a rate of 15 bpm and max anticipated surface treatment pressure of 3000 psi or 2500 psi respectively with 1000 gallon 7½% HcL and 36,000 gallons 18 lbs CMHPG-XL foam containing 101,000 lbs of 16/30 mesh sand as follows:

1. Pump 1000 gallons 7 ½% HcL followed by flush 2% KcL (to top perf).
2. Shut in for 30 minutes to 1 hour, then prepare for the frac job as follows.
3. Rig up

Stage	Stage Volume	Lb/Gal-Sand	Sand/Stage Lbs
1	10,000 Gal		Pad
2	5,000 Gal	2	10,000 Lbs
3	5,000 Gal	3	15,000 Lbs
4	10,000 Gal	4	40,000 Lbs
5	6,000 Gal	6	36,000 Lbs
6	Flush with 2% KcL to top perf		n/a
<b>Totals</b>	<b>36,000 Gal</b>		<b>101,000 Lbs</b>

4. Flow back immediately, adjust choke size according to Tbg or Csg pressure.

RECEIVED

MAY 28 1972

RECEIVED  
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