

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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 ☐

2. NAME OF OPERATOR
McKay Oil Corporation

3. ADDRESS OF OPERATOR
P.O. Box 2014, Roswell, New Mexico 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 990' FSL - 990' FEL
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
32 miles to Roswell, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'

16. NO. OF ACRES IN LEASE 2,418.17

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. none

19. PROPOSED DEPTH 3,400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4,298' GR

22. APPROX. DATE WORK WILL START ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 7/8"	7"	23# J-55	700' - 900'	850 cf cement circ.
6 1/4"	4 1/2"	9.5# J-55	TD	Sufficient to isolate all water, oil and gas.

We propose to drill and test the Abo formation. Approximately 700' 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 stimulated as needed for production.

AIR DRILL FROM SURFACE TO TD.

BOP PROGRAM: Blowout preventer stack will consist of at least a rotary head with stripper rubber and 4" blow line with control valve.

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 subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE Agent DATE 4-17-91

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY /s/ Sandra L. Allen TITLE Area Manager DATE APR 26 1991

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERAL LANDS FOR CONSTRUCTION OF ANY KIND OR TRAD WITHOUT PAYMENT IN ADVANCE.

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.

APPROVAL OF THIS APPLICATION 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.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

RECEIVED
Apr 17 3 52 PM '91
BUREAU OF LAND MGT
RES WELL RESOURCE
AREA

Operator McKay Oil Corporation			Lease Victoria Federal		Well No. #1
Unit Letter P	Section 18	Township 5S.	Range 21E.	County NMPM	Chaves
Actual Footage Location of Well: 990 feet from the South line and 990 feet from the East line					
Ground level Elev. 4298	Producing Formation ABO		Pool W. Pecos Slope		Dedicated Acreage: 160.00 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 interest of all owners been consolidated by communitization, unitization, force-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 interest, has been approved by the Division.

Section 18, T. 5S., R. 21E., N.M.P.M.			
NM-36186			
990'			

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

Signature

Printed Name

Sam L. Shackelford

Position

Agent

Company

McKay Oil Corporation

Date

4-17-91

SURVEYOR CERTIFICATION

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.

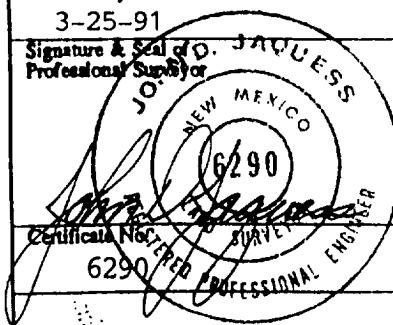
Date Surveyed

3-25-91

Signature & Seal of
Professional Surveyor

Certificate No.

6290



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

PERTINENT INFORMATION

For

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

RECEIVED

APR 17

3 52 PM '91

BUREAU OF LAND MGT
ROSWELL RESOURCE
AREA

LOCATED: 32 air miles Northwest
of Roswell, N.M.

LEASE NUMBER: NM-36186

LEASE ISSUED May 1, 1981

RECORD LESSEE: McKay Oil Corporation
McKay Children,s Trust

BOND COVERAGE: Lessee's \$25,000 Statewide

AUTHORITY TO OPERATE: Designation of Operator

ACRES IN LEASE: 2,418.17 acres, more or less

SURFACE OWNERSHIP: Federal

OWNER: USA-BLM

POOL RULES: General Statewide Rules

EXHIBITS:

- A. Road and Well Map
- B. Contour Map
- C. Rig Layout
- D. BOP Diagram
- E. Lease Map
- F. Location Topography

SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

NM-36186

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

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

Yeso	-	672'
Tubb	-	2374'
Abo	-	3074'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh Water	-	In surface formation above 600'
Gas	-	In Abo formation below 3080'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout prevention equipment will consist of a control head with a 1,500#WP and 3,000# test pressure. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:
Fresh water through surface. Then Abo produced water to drill remainder to TD.
7. AUXILIARY EQUIPMENT: Full-opening drill string safety valve fit for the drill string in use, will be kept on the rig floor at all times.

8. TESTING, LOGGING AND CORING PROGRAM:
Samples: Catch samples from surface to TD.
DST'S: None
Logging: GR-CNL, Dual Lateral MSFL from
surface to TD.
Coring: None
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated. Abo formation is tight gas sand
and has limited pressures until frac.
10. ANTICIPATED STARTING DATE: On or before May 1, 1991
Drilling should be completed within 60 days.
Completion operations (perforations and stimulation)
will follow drilling operations.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

McKAY OIL CORPORATION
Victoria Federal #1
NE/4NE/4 Sec. 18-5S-21E
Chaves County, N.M.

NM-36186

This plan is submitted with the application for permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 32 miles North of Roswell, N.M.
- B. Directions: Heading North out of Roswell, New Mexico on U.S. 285 for approximately 23 miles and turn left on county road just before mile marker 137 (Cottonwood Road). Go approximately 9.5 miles (along county road), then turn north for 3.5 miles to Boswell Ranch House, then left through cattleguard, heading northwest to location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: 2 miles long and 14' wide.
- B. Surfacing Materials: Sand, gravel and caliche where needed.
- C. Turnouts: none
- D. Maximum Grade: No more than 3%.
- E. Drainage Design: Road will have drainage ditches on both sides and a crowned top, with culverts and/or low water crossings as necessary.

- F. Culverts: None
 - G. Cuts and Fill: none
 - H. Gates, Cattleguards: Cattleguards will be installed at fence crossing in NW/4NW/4 of Sec. 28, 5S-21E.
 - I. Top Soil: Very little
3. LOCATION OF EXISTING WELLS:
- A. A map indicating the location of adjacent wells is attached.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. See Exhibit "A" for location of existing lease wells. If the well is commercial, production facilities and tank battery will be constructed.
 - B. Cuts and Fills: Less than 10' of cut and fill will be required for the pad size of 200' x 190'. (see Exhibit "F")
 - C. Top Soil: Any top soil which can sustain plant vegetation will be bladed and piled for future rehabilitation.
5. LOCATION AND TYPE AF WATER SUPPLY:
- A. Water will be purchased from a commercial source and trucked to the location over existing and proposed access roads.
6. SOURCE OF CONSTRUCTION MATERIALS:
- A. Caliche will be obtained from a pit in the SW/4SW/4 of Section 33, T-5S, R-21E.
7. METHODS OF HANDLING WASTE DISPOSAL:
- A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
 - C. Water produced during test will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt or deposited in an approved sanitary landfill. All waste material will be contained by a netted container to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".
 - F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.
8. ANCILLARY FACILITIES:
- A. None necessary
9. WELL SITE LAYOUT:
- A. Exhibit "C" indicates the relation location and demensions of the well pad, mud pits, reserve pit and major rig equipment.
 - B. The location slopes to the southeast.
 - C. The reserve pit will be lined with plastic to prevent loss of water.
10. PLANS FOR RESTORATION OF THE SURFACE:
- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing condition as possible.
 - B. Any unguarded pits containing fluids will be fenced until they are filled.
 - C. If the well is non-productive or abandoned, the distrubed area will be rehabilitated using the preserved soil mentioned in 2. I. and 4. C.
11. OTHER INFORMATION:
- A. Topography: The topography has a slope to the

south in the vicinity of the access road and southeast in the vicinity of the drill pad. Regional slope is south toward the Arroyo Del Macho which is approximately 1 mile from the location.

- B. Soil: Sandy loam with limestone outcropping.
- C. Flora and Fauna: The flora consists of typical desert vegetation, such as yucca, cactus and various grasses. Fauna consists of desert wildlife such as coyotes, rodents, snakes, deer and antelope.
- D. Ponds or Streams: Arroyo Del Macho 1 mile south of the proposed location.
- E. Residences and other Structures: The Boswell ranch house is approximately 2 miles southeast of this location.
- F. Archaeological, Historical and Other Cultural Sites: An Archaeologist from Roswell, NM (A.S.C. Co.) has checked and approved this site and access road.
- G. Land Use: Grazing
- H. Surface Ownership: Federal

12. OPERATOR'S REPRESENTATIVE:

Gary Richburg
Roswell, New Mexico
(505) 623-4735

13. CERTIFICATION:

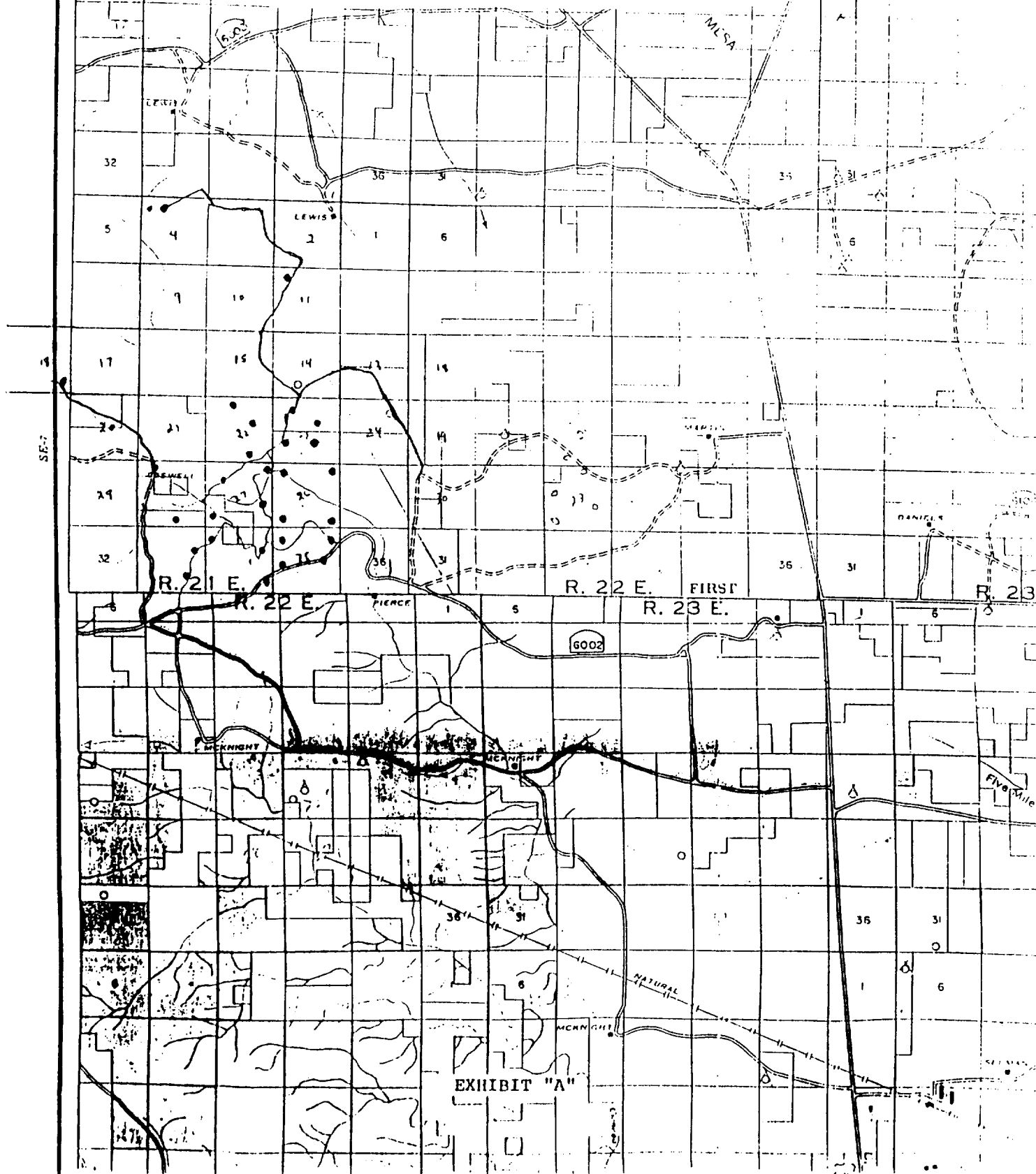
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge true and correct; that the work

associated with the operations proposed herein will be performed by MCKAY OIL CORPORATION and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.

4-17-91
DATE:

S. L. L.

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico



MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

EXHIBIT "B"

New Access-----
Existing Access-----

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

Victoria #1
Macho
Arroyo
Fifteenmile
Boswell Ranch
Arroyo del
EXHIBIT "B"
New Access-----
Existing Access-----

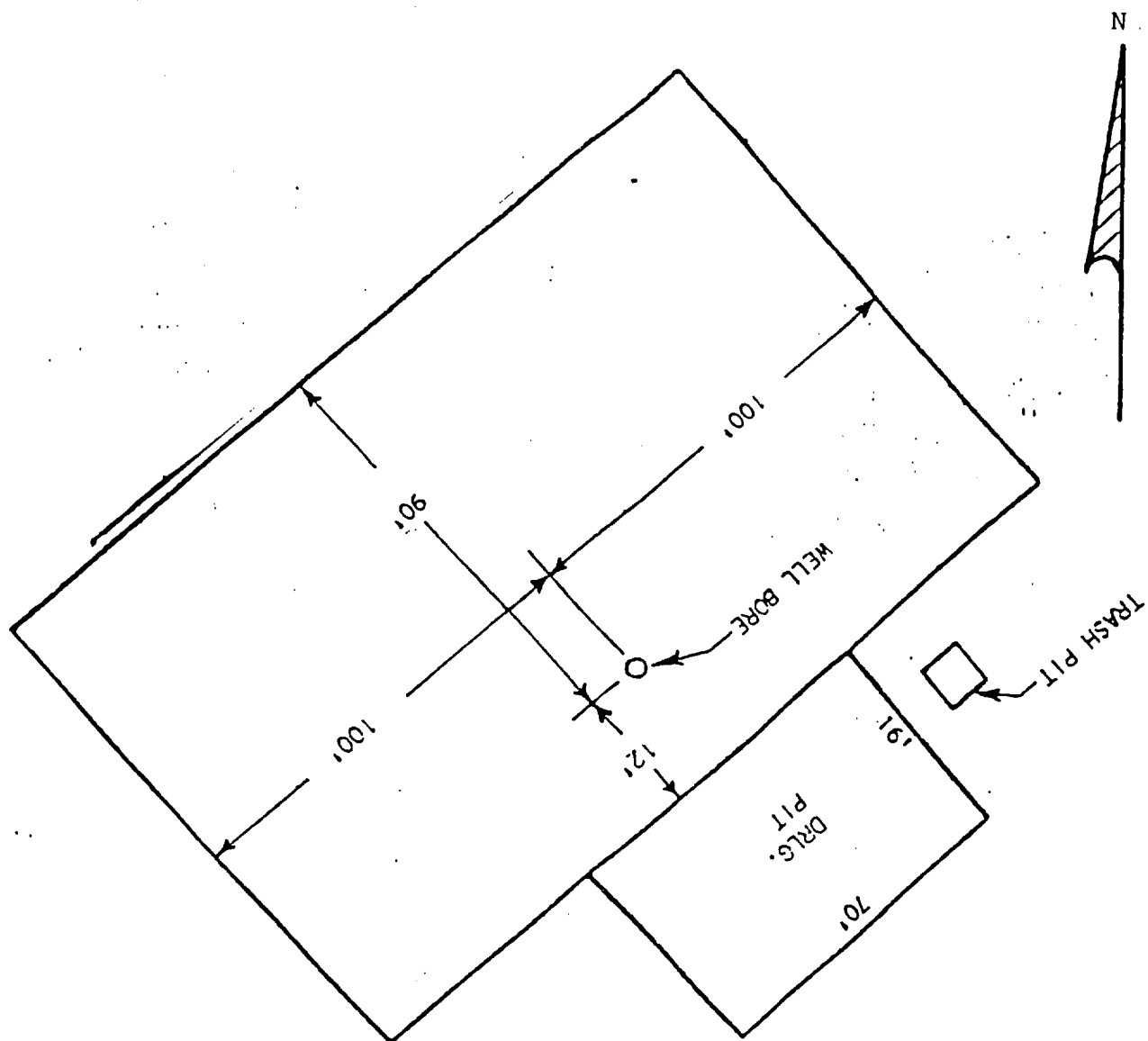
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MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

EXHIBIT "B"

New Access-----
Existing Access-----

CABLE TOOL DRILL PAD



MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

SUP Exhibit "C"
SKETCH OF WELL PAD

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

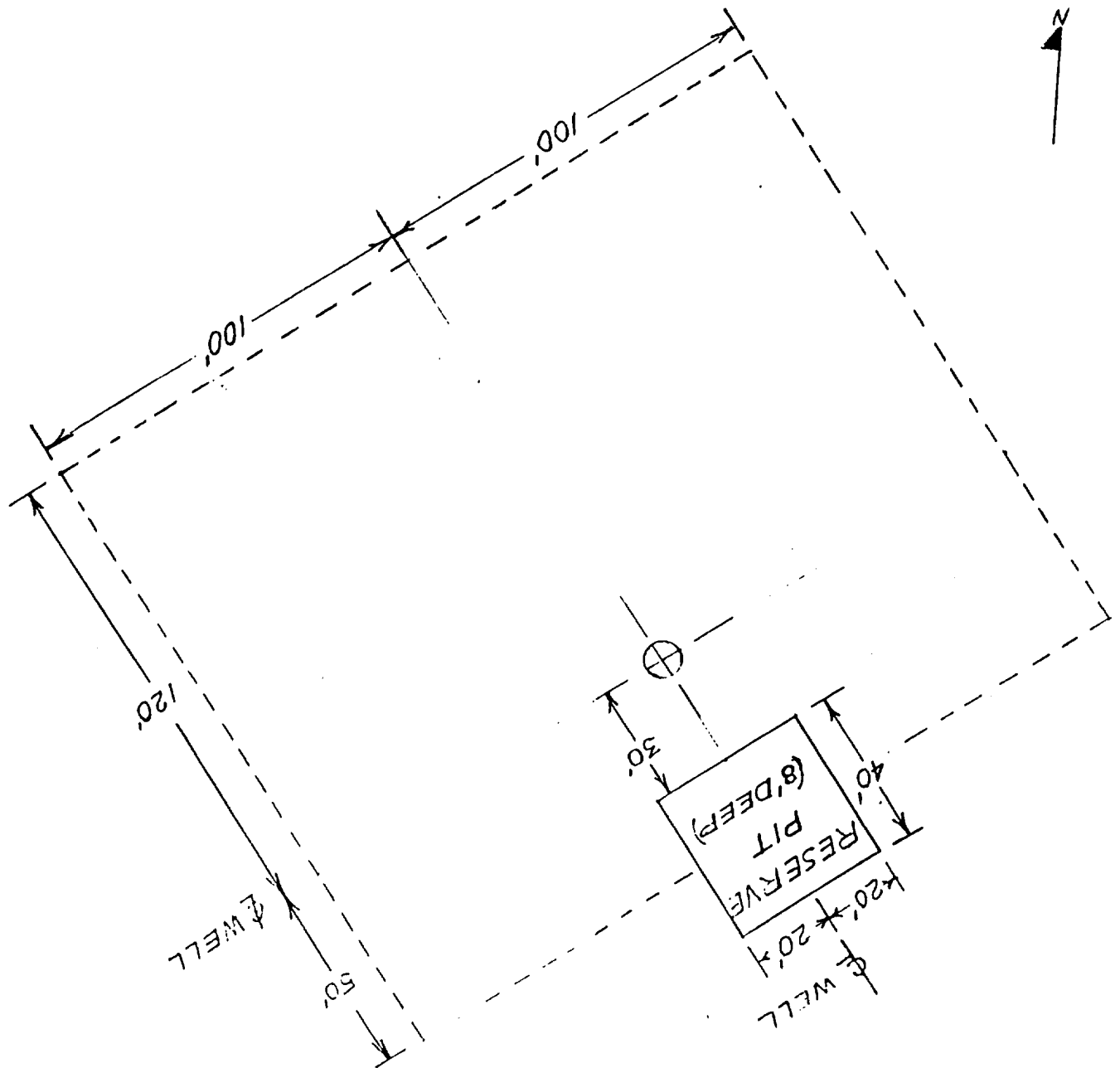
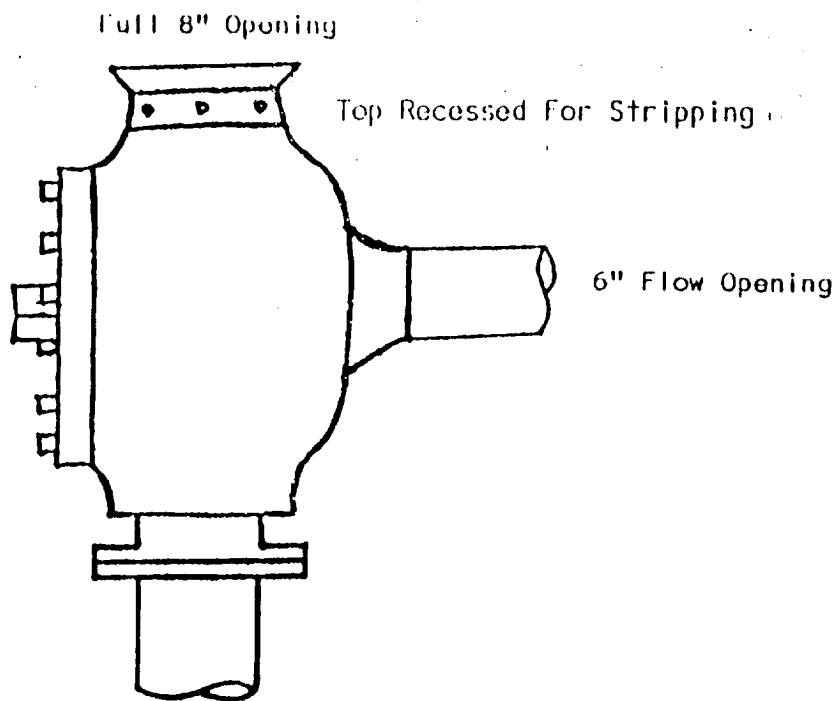


EXHIBIT "C-1"
UNITED DRILLING, INC.
LOCATION PLAT
RIGS 1 & 4
AIR DRILLING.
Scale: 1" = 40' 10/16/88

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

CABLE TOOL MASTER VALVE



Working Pressure - ± 1500 psi

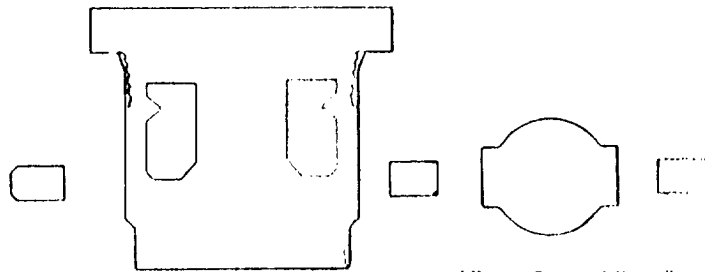
Master Valve can be closed to shut off flow from well bore. It can be operated to close top and open flow side. Recessed top opening can be used for stripping.

EXHIBIT "D"

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico

AIR RIG CONTROL HEAD

full 10" opening



4" valve 1500# wp 3000# test

head 1500# wp 3000# test

EXHIBIT "D-1"

MCKAY OIL CORPORATION
Victoria Federal #1
SE/4SE/4 of Sec. 18, T-5S, R-21E
Chaves County, New Mexico



JOHN D. JAQUES
CONSULTING ENGINEERS
P.O. Box 2565
ROSWELL, NEW MEXICO 88201
(505) 622-8866

GRID ELEVATION VS

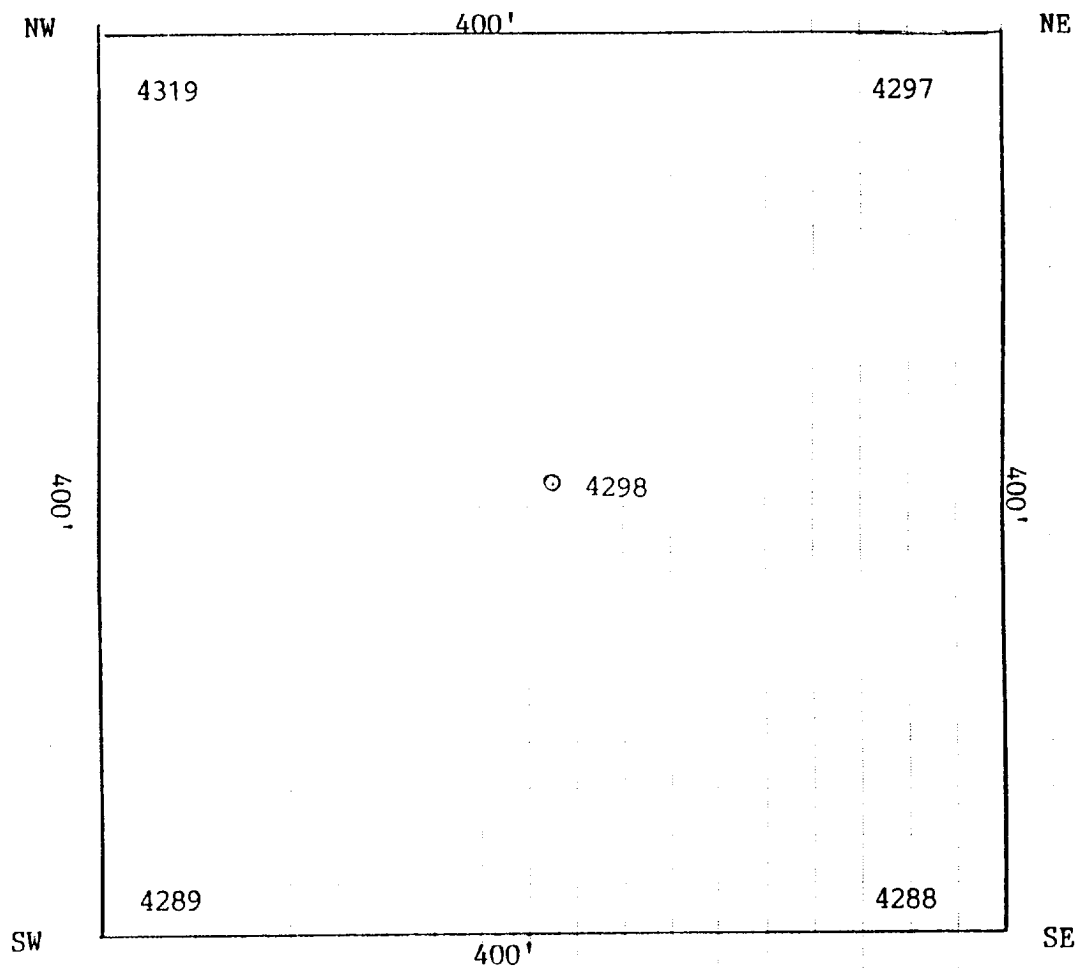
JOB _____

SHEET NO _____ OF _____

CALCULATED BY _____ DATE _____

CHECKED BY _____ DATE _____

SCALE _____



VICTORIA FEDERAL #1
990 FSL, 990 FEL
SECTION 18, T.5S, R.21E.
CHAVES COUNTY, NEW MEXICO