

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Artesia, NM 88210
Drawer DD

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" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR McKay Oil Corporation	8. FARM OR LEASE NAME Ruby Fed. Com
3. ADDRESS OF OPERATOR Post Office Box 2014, Roswell, New Mexico	9. WELL NO. #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 460' FNL & 1450' FEL	10. FIELD AND POOL OR WILDCAT W. Pecos Slope Abo
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 33-6S-22E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4232'	12. COUNTY OR PARISH Chaves
	13. STATE NM

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MAY 24 1991
O. C. D.
ARTESIA OFFICE

18. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT	MULTIPLE COMPLETE	FRACTURE TREATMENT	ALTERING CASING
SIDING OR ACIDIZE	ABANDON*	SHOOTING OR ACIDIZING	ABANDONMENT*
REPAIR WELL	CHANGE PLANS	(Other) Spud	
(Other)			X

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

3/28/91 MI RU Perry Smith Drilling. Spudded well @ 2:48 p.m. w/12 1/2" bit. Drill 14' and set 10 3/4" conductor pipe and cement SION.

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ROSWELL RESOURCE AREA

18. I hereby certify that the foregoing is true and correct

SIGNED Theresa Rodriguez TITLE Production Analyst DATE 4/30/91

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD
PETER W. CHESTER
DATE
MAY 23 1991
BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side

30-105-62855
Form approved.
Budget Bureau No. 1004-0130
Expires August 31, 1985

Artesia, NM UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Post Office Box 2014, Roswell, New Mexico 88201

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

At surface

460' FNL & 1450' FEL

At proposed prod. zone

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

28 Miles Northwest of Roswell, NM

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ARTESIA, OFFICE

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

460'

16. NO. OF ACRES IN LEASE

2374.37

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160.0

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

3,400'

20. ROTARY OR CABLE TOOLS

Rotary

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

4232'

22. APPROX. DATE WORK WILL START*

ASAP

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 of cement circulated
7 7/8"	4 1/2"	9.5 J-55	TD	1200 of cement including 480 to tie in 4 1/2" to 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 stimulated 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.

Part 20-1
5-17-91
Newham &
APZ

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.

24.

SIGNED Theresa Rodriguez

TITLE Agent

DATE 2/21/91

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY /s/ Sandra L. Allen

TITLE Area Manager

DATE MAR 26 1991

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

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.

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.

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BUREAU OF LAND NOT
MOSWELL RESOURCES
AREA

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

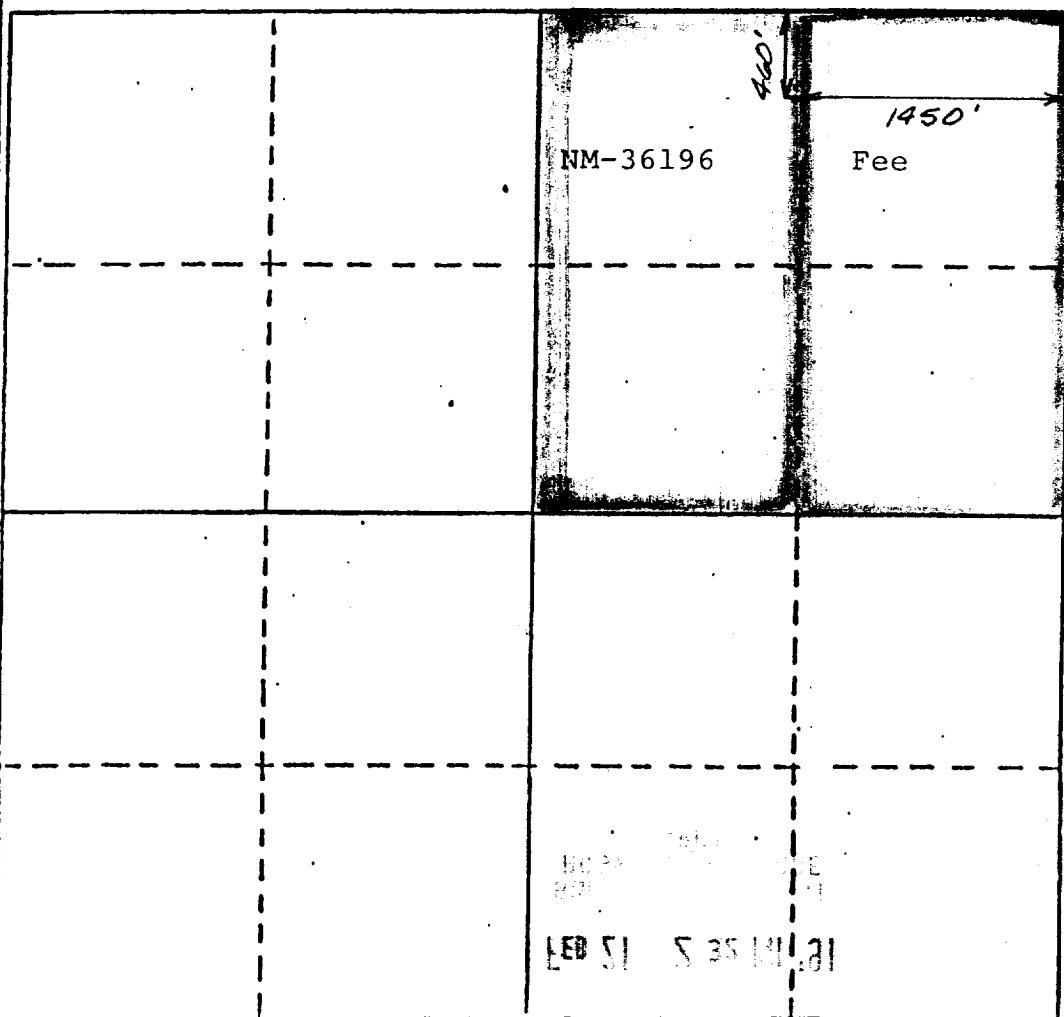
Operator McKay Oil Corp.		Lease Ruby Fed. Comm.		Well No. 1
Unit Letter B	Section 33	Township 6 South	Range 22 East	County Chaves
Actual Footage Location of Well: 460 feet from the North line and 1450 feet from the East line				
Ground Level Elev. 4234	Producing Formation ABO	Pool W. Pecos Slope Abo	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, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation will communitize and/or force pool.

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.

Name
Sam L. Shackelford
Position
Agent
Company
McKay Oil Corp.
Date
12-24-86

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
December 20, 1986
Registered Professional Engineer and/or Land Surveyor
John D. Jaquess, P.E. & L.S.
Certificate No. 6280

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BUREAU OF LAND MGT
ROSWELL RESOURCE
AREA

PERTINENT INFORMATION

For

McKAY OIL CORPORATION
Ruby Federal Comm. #1
NW/4NE/4 Sec. 33-6S-22E
Chaves County, N.M.

<u>LOCATED:</u>	30 air miles north of Roswell, New Mexico
<u>LEASE NUMBER:</u>	NM 36196
<u>LEASE ISSUED:</u>	May 1, 1981
<u>RECORD LESSEE:</u>	McKay Oil Corporation McKay Children's Trust
<u>BOND COVERAGE:</u>	Lessee's \$25,000 Statewide
<u>AUTHORITY TO OPERATE:</u>	Designation of Operator
<u>ACRES IN LEASE:</u>	2374.37 acres more or less
<u>SURFACE OWNERSHIP:</u>	Federal
<u>OWNER:</u>	USA-BLM
<u>POOL RULES:</u>	General Statewide Rules
<u>EXHIBITS:</u>	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
Ruby Federal Comm. #1
NW/4NE/4 Sec. 33-6S-22E
Chaves County, N.M.

NM 36196

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	- 790
Tubb	- 2351'
Abo	- 3051'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh water	- In surface formations above 600'
Gas	- In Abo formation below 3051'
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'- 700'	Lime and gel, spud mud, viscosity 32 to 34 seconds.
700'- 2951	Fresh water
2951'- TD	Start mudding up at 2951'; 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 drill string safety valve fit 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.
10. ANTICIPATED STARTING DATE: On or before February 22,
1987. 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
Ruby Federal Comm. #1
NW/4NE/4 Sec. 33-6S-22E
Chaves County, N.M.

NM-36196

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 30 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 8.5 miles and then turn left just after the gravel pit, then go 3 miles staying right at the first two forks in the road and left at the next two. The new access will be on the right.

2. PLANNED ACCESS ROAD:

- A. Length and Width: 3/4 mile long and 14' wide.
- B. Surfacing Materials: Sand and gravel where needed.
- C. Turnouts: Three will be spaced evenly apart along road.
- 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 Fills: none
 - H. Gates, Cattleguards: none
 - 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: Approx. 17' of cut and fill will be required for the pad size of 250' X 250'. (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 OF 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. Federal pit located in the SW/4NW/4 Sec. 15-6S-22E.
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 dimensions of the well pad, mud pits, reserve pit and major rig equipment.
 - B. The location slopes to the southwest.
 - 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 disturbed area will be rehabilitated using the preserved soil mentioned in 2. I. and 4. C.
11. OTHER INFORMATION:
- A. Topography: The topography slopes east in

vicinity of the access road and southwest in the vicinity of the drill pad. Regional slope is east toward the China Draw which is approximately 4 miles from this 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: China Draw is about 4 mile east of the proposed location.
- E. Residences and other Structures: The McKnight ranch house is approximately 3 miles northwest of this location.
- F. Archaeological, Historical and Other Cultural Sites: No artifacts are noted in the area of the pad. An Archaeologist from Portales, New Mexico (A.C.A. Co.) has checked the location with a favorable recommendation.
- G. Land Use: Grazing
- H. Surface Ownership: Fed

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 exist; that the statements made in this plan are, to the best of my knowledge true and correct; that the work

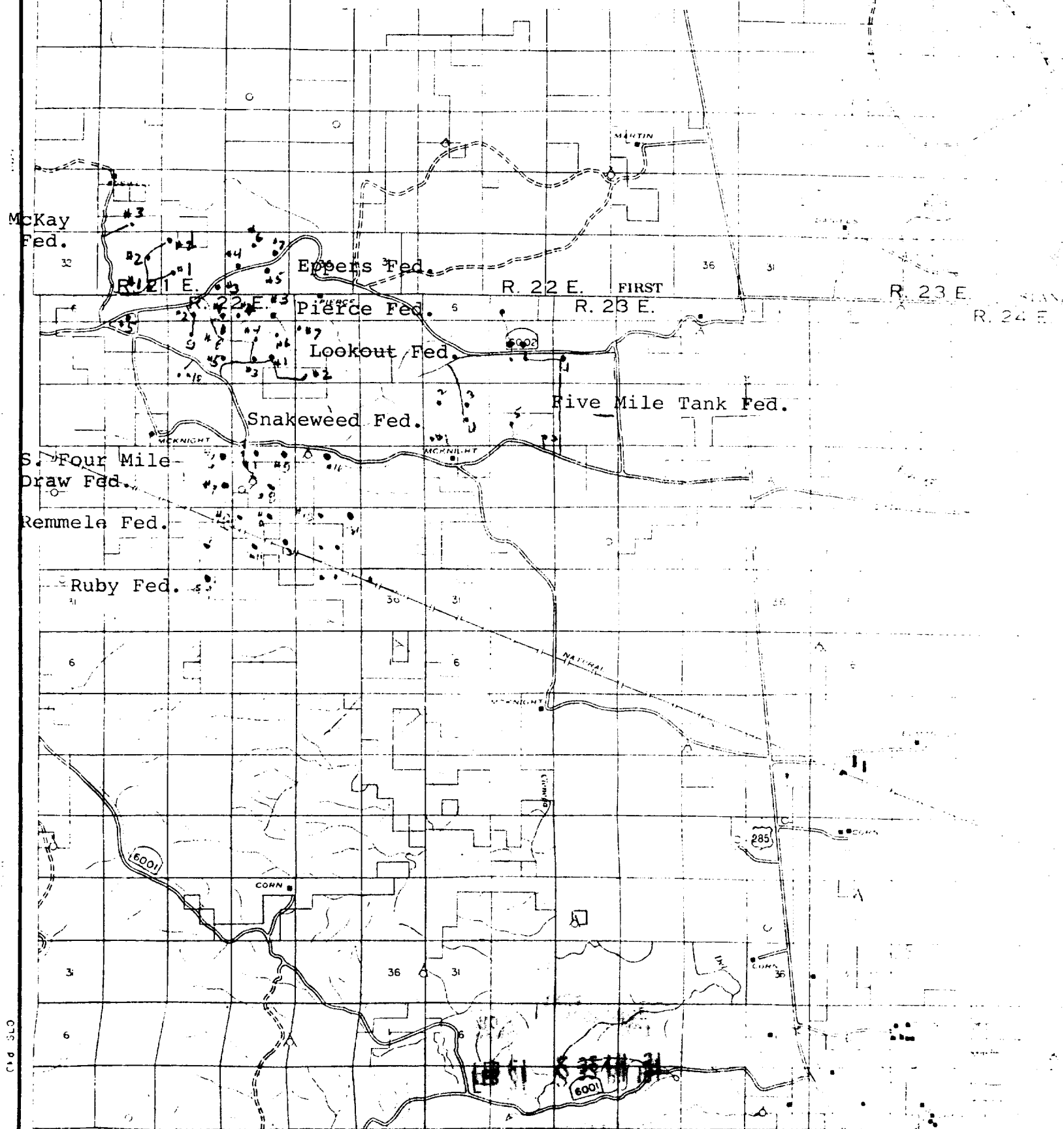
associated with the operations proposed herein will be performed by MCKAY OIL CORPORATION and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.

12-24-86

DATE:

Sam L. Shackelford, Agent

MCKAY OIL CORPORATION
 Ruby Federal Comm. #1
 NW/4NE/4 Sec. 33-6S-22E
 Chaves County, New Mexico

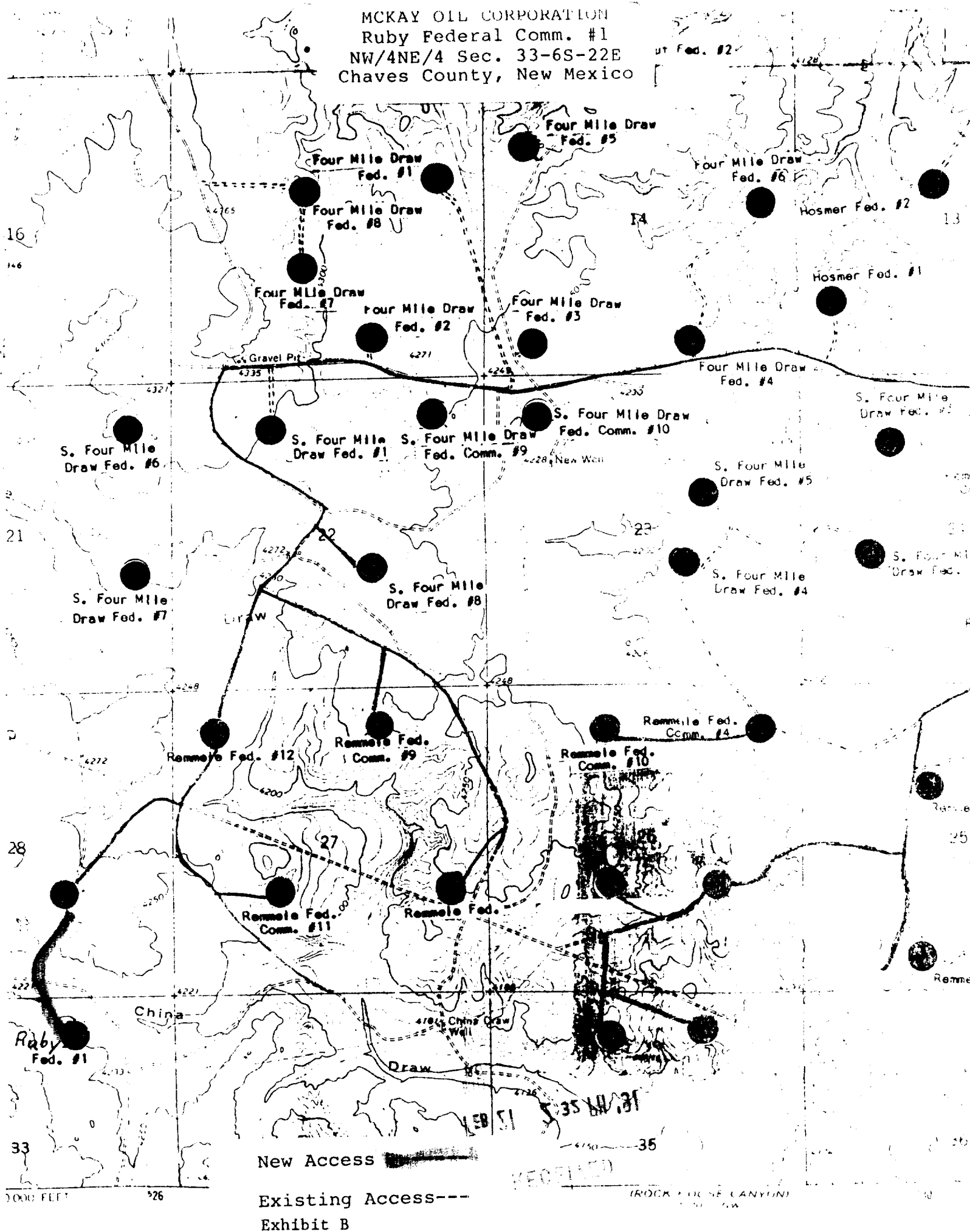


SCALE: 1/2" = 1 MILE

EXHIBIT A

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JUN 21 2 32 PM '64
BUREAU OF LAND MGT
NOSWELL RESOORCE
AREA

MCKAY OIL CORPORATION
 Ruby Federal Comm. #1
 NW/4NE/4 Sec. 33-6S-22E
 Chaves County, New Mexico



New Access

Existing Access---

Exhibit B

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TRUCK HOUSE CANYON

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NOSWELL RESOURCE
AREA

MCKAY OIL CORPORATION
 Ruby Federal Comm. #1
 NW/4NE/4 Sec. 33-6S-22E
 Chaves County, New Mexico

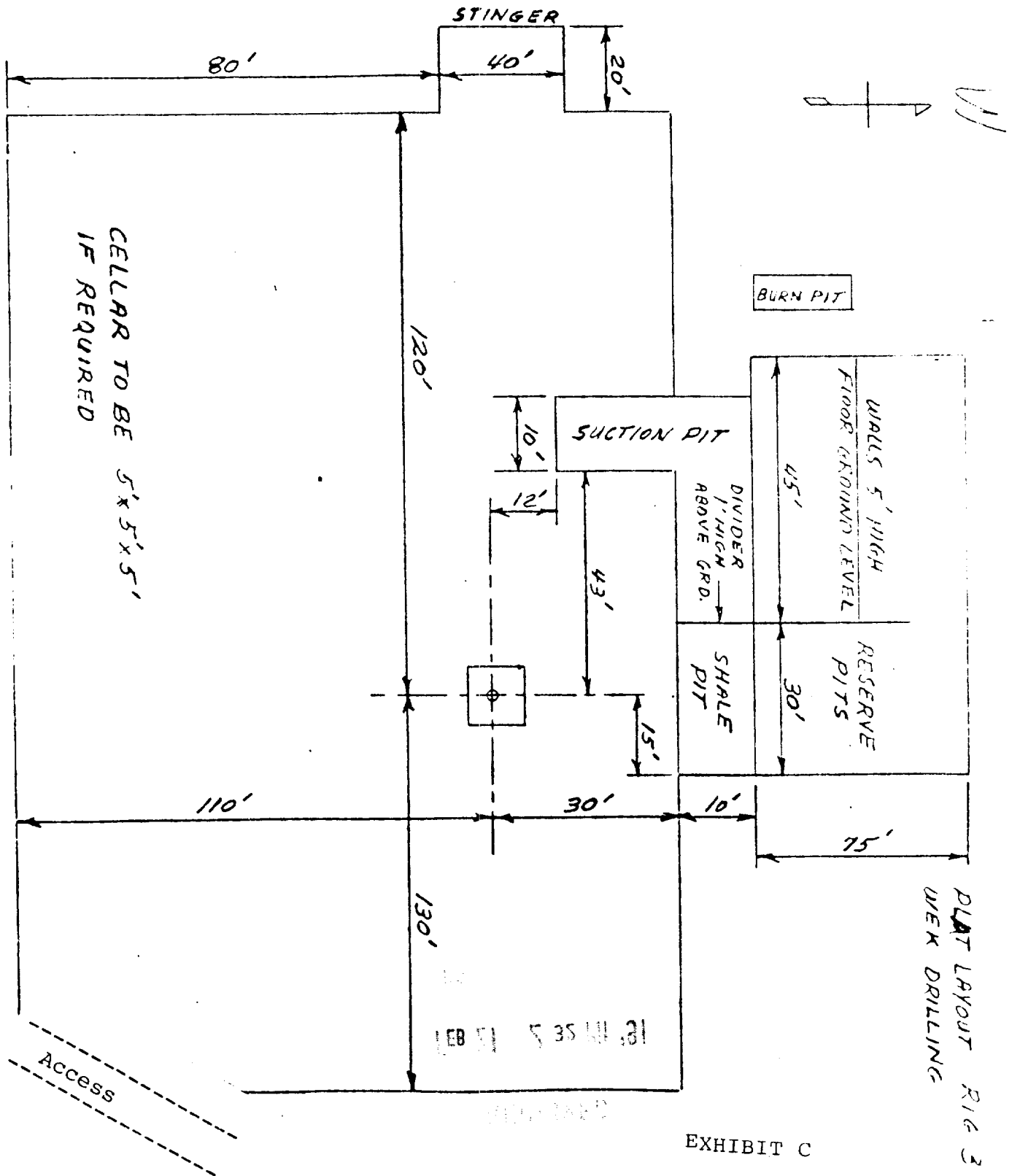
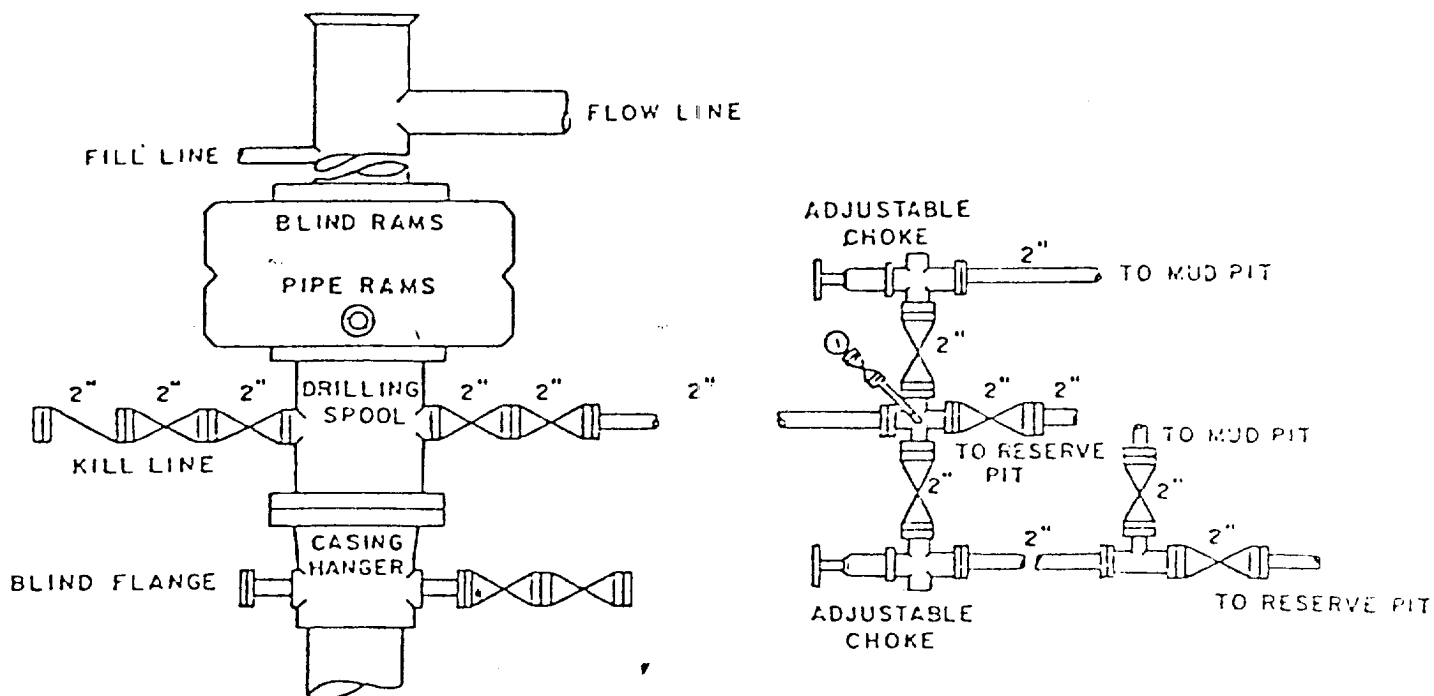


EXHIBIT C

PLAT LAYOUT R16 3
 WEL DRILLING

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KOSWELL RESOURCE
AREA

MCKAY OIL CORPORATION
 Ruby Federal Comm. #1
 NW/4NE/4 Sec. 33-6S-22E
 Chaves County, New Mexico



BOP DIAGRAM

3000# Working Pressure
 Rams Operated Daily

113 51 5 35 11 31

EXHIBIT D

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FEB 21 2 32 PM '91
BUREAU OF LAND MGT
ROSSELL RESOURCE
AREA

RECEIVED
FBI 21 2 32 PM '91
BUREAU OF INVESTIGATION
ROSWELL RESOURCE
AREA

CONSULTING ENGINEER
Suite 327 J.P. Wells Building
ROSWELL, NEW MEXICO 88201
(505) 622-8866

SHEET NO _____ OF _____

CALCULATED BY _____ DATE _____

CHECKED BY _____ DATE _____

SCALE _____

Ruby Fed. Comm. *1
Sec. 33-6-22
1450 FEL, 460 FNL

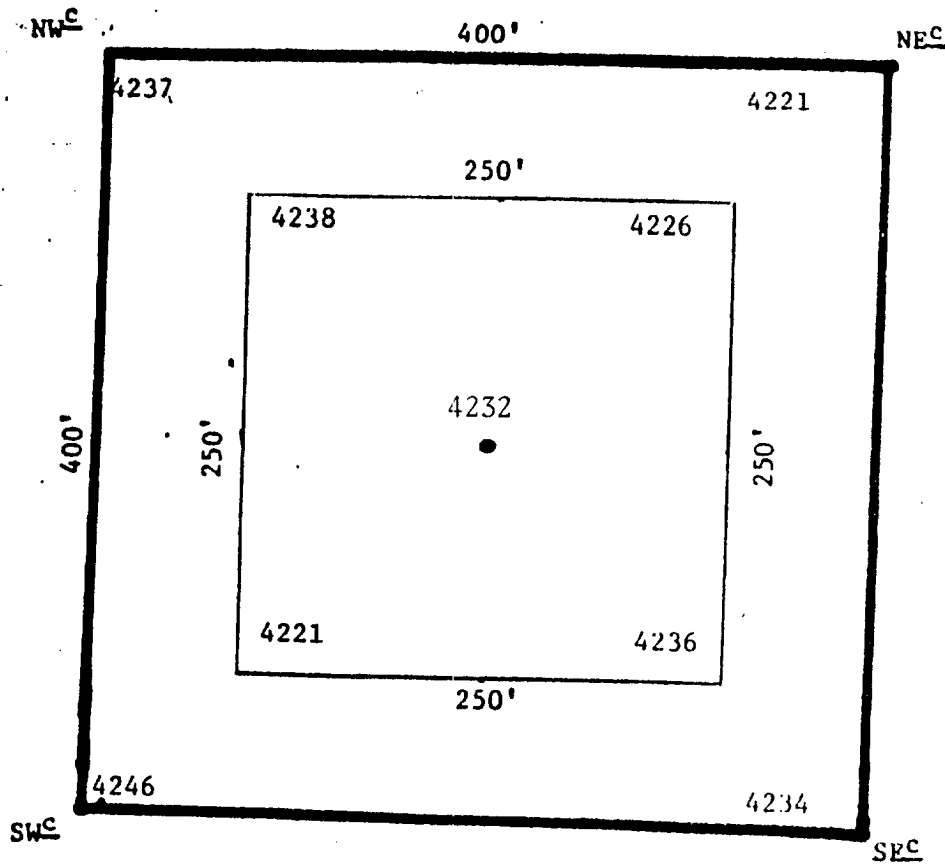


EXHIBIT F

FEB 71 5 35 PM '81

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MOSWELL RESOURCE
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