

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Form approved.
Budget Bureau No. 1004-0136
Res. August 31, 1985

Drawer DD
Artesia, NM 88210

30-105-62872
LEASE DESIGNATION AND SERIAL NO.

NM-32352 86095

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 Corp.

SEP - 4 1991 Macho Federal

3. ADDRESS OF OPERATOR

P.O. Box 2014, Roswell, NM 88202

O. C. D.
ARTESIA OFFICE

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

At surface

990' FNL-990' FWL

At proposed prod. zone

ABO

W.D

10. FIELD AND POOL, OR WILDCAT

W. Pecos Slope Abo

11. SEC. T., R., M., OR P.M.
AND SURVEY OR AREA

SEC. 28, T-6S, R-23E

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

28 miles from Roswell, NM

12. COUNTY OR PARISH 13. STATE

Chaves

NM

15. DISTANCE FROM PROPOSED*

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

990'

16. NO. OF ACRES IN LEASE

640.0

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.

1/2 mile

19. PROPOSED DEPTH

3,400'

20. ROTARY OR CABLE TOOLS

Cable rotary

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

See Attached Exhibit

22. APPROX. DATE WORK WILL START*

August 26, 1991

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±	650 SX Class C, circulate
7 7/8	4 1/2"	10.5 J-55	TD	325 SX Class C, 600' above ABO

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.

Best ID-1
9-13-91
New Loc & API

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

[Signature]

TITLE

Agent

DATE

8-7-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

/s/ John Crane

Acting

Area Manager

APPROVED BY

TITLE

DATE

8-29-91

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operation on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

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BUREAU OF LAND MANAGEMENT
ROCKWELL RESOURCE
AREA

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088

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

Operator McKay Oil Corporation		Lease Macho Federal		Well No. #1
Unit Letter D	Section 28	Township 6S.	Range 23E. NMPM	County Chaves
Actual Footage Location of Well:				
990 feet from the North line and		990 feet from the West line		
Ground level Elev. 4097	Producing Formation ABO	Pool W. Pecos Slope Abo	Dedicated Acreage: 160.0 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.

990'

990'

Section 28, T. 6S., R. 23E., NMPM

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 Corp.

Date _____

8-7-9.1

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 _____

8/2/95

Signature & Seal of
Professional Surveyor

Certificate No.

6296

BK. 60 PG43

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BLIND
ROSMERIAL SOURCE
AREA

PERTINENT INFORMATION

For

MCKAY OIL CORPORATION
Macho Federal #1
NW/4NW/4 of Sec. 28, T-6S, R-23E
Chaves County, New Mexico

<u>LOCATED:</u>	28 air miles Northwest of Roswell, N.M.
<u>LEASE NUMBER:</u>	NM-32352
<u>LEASE ISSUED</u>	November 1, 1978
<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>	640.0 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

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ROSWELL AREA

SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
Macho Federal #1
NW/4NW/4 of Sec. 28, T-6S, R-23E
Chaves County, New Mexico
NM-32352

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	-	428'
Tubb	-	2130'
Abo	-	2830'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh Water	-	In surface formation above 600'
Gas	-	In Abo formation below 2830'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of at least a double-ram BPO rated at 3,000#WP. A sketch of the BOP is attached. *Used as 2000 Psi system*
6. CIRCULATING MEDIUM:
Fresh water from surface to 1200', then salt water gel through 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

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BUREAU OF THE
ROSWELL RESERVE
AREA

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated.
10. ANTICIPATED STARTING DATE: On or before August 26, 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
Macho Federal #1
NW/4NW/4 of Sec. 28, T-6S, R-23E
Chaves County, New Mexico
NM-32352

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 28 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 2.7 miles, then turn south for .5 miles, then swing west to the Mcknight #1, then south .3 mile, then 1/2 mile west to location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: .8 mile 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.

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- F. Culverts: None
 - G. Cuts and Fill: none
 - H. Gates, Cattleguards: none
 - I. Top Soil: Very little. Will be stockpiled for reclamation as required by BLM.
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 5' of cut and fill will be required for the pad size of 125' x 125'. (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. Pit in SW/4NE/4 of Section 21, T-6S, R-23E.
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.

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- 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 slightly 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 distrubed area will be rehabilitated using the preserved soil mentioned in 2. I. and 4. C.
11. OTHER INFORMATION:
- A. Topography: The topography is a gradual slope

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ROSWELL RESOURCE
AREA

to the southwest in the vicinity of the access road and southwest in the vicinity of the drill pad. Regional slope is south toward the Arroyo Del Macho which is approximately 1.2 miles 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: Macho Draw is about 1.2 miles west of the proposed location.
- E. Residences and other Structures: The McKnight ranch house is approximately 2.0 miles west 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: FEE-Ina Mae Corn

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

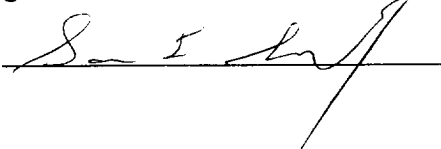
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BUKLELL AREA
ROSWELL AREA
SOURCE

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.

8-7-91
DATE:



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COAST
BUREAU OF SOURCE
ROSWELL AREA

SE 7

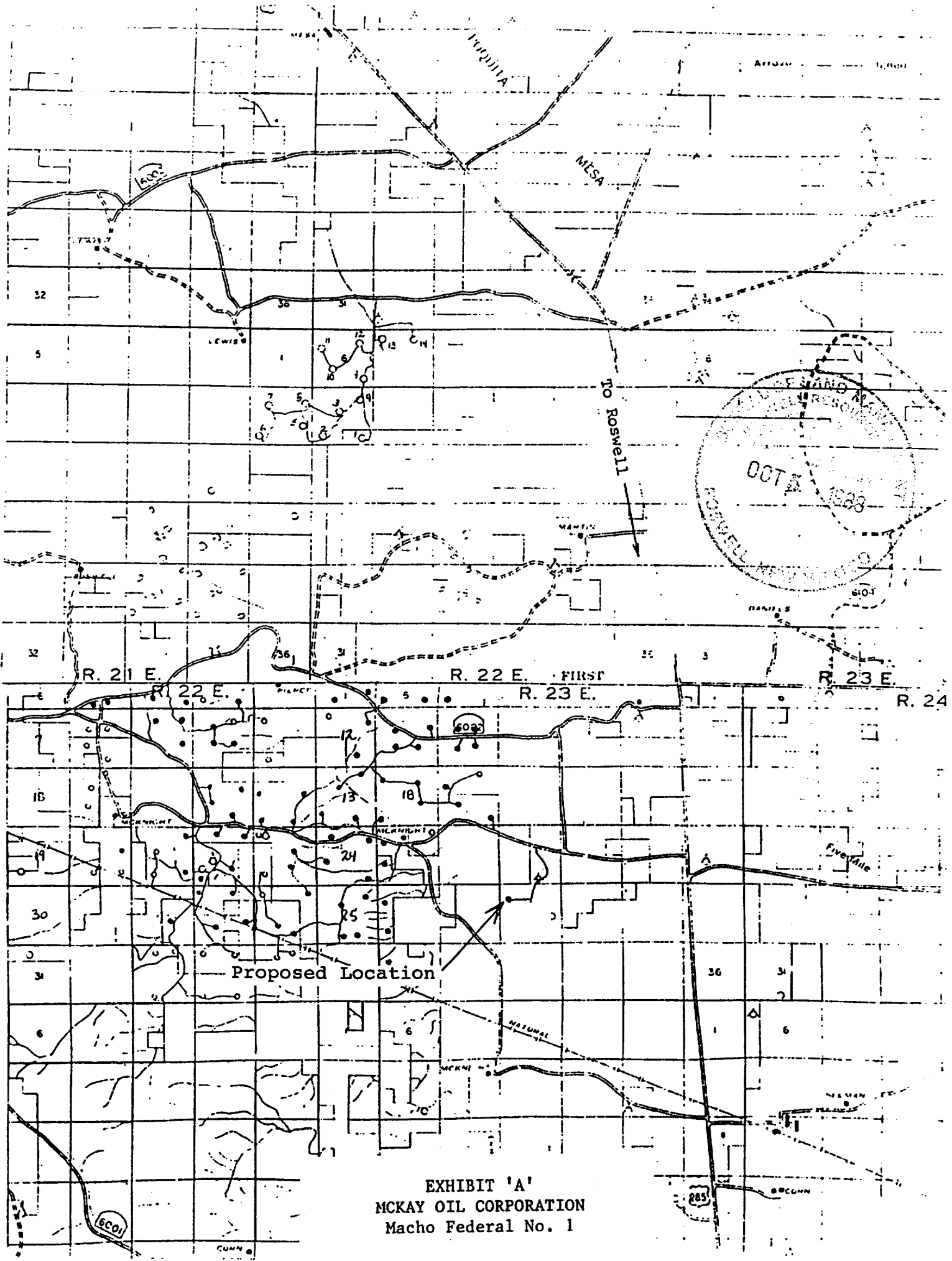
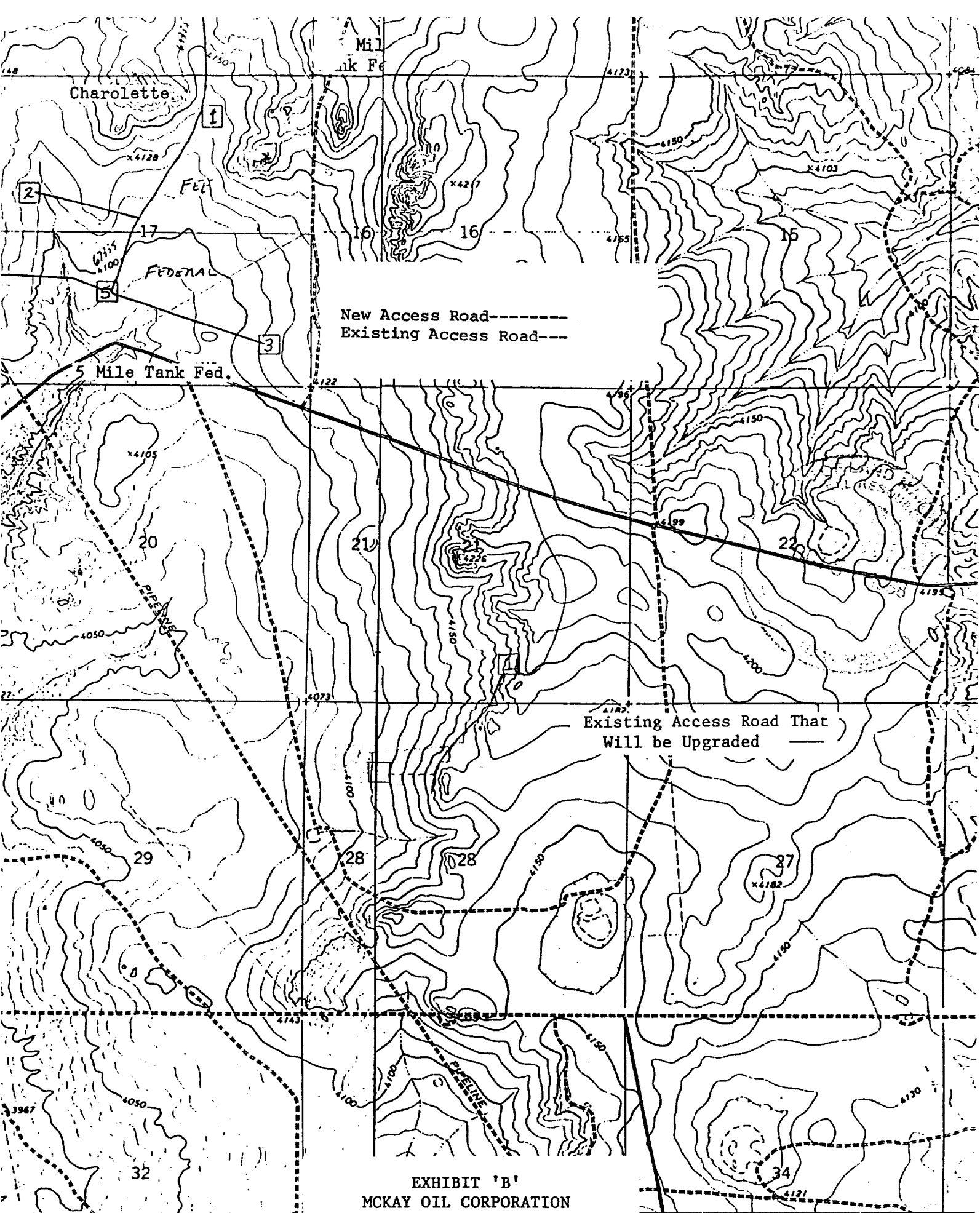


EXHIBIT 'A'
MCKAY OIL CORPORATION
Macho Federal No. 1

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BURBANK CALIF NGIC
ROBERT L. RESOURGNE
AGENT



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BUREAU OF SOURCE
ROSEN AREA

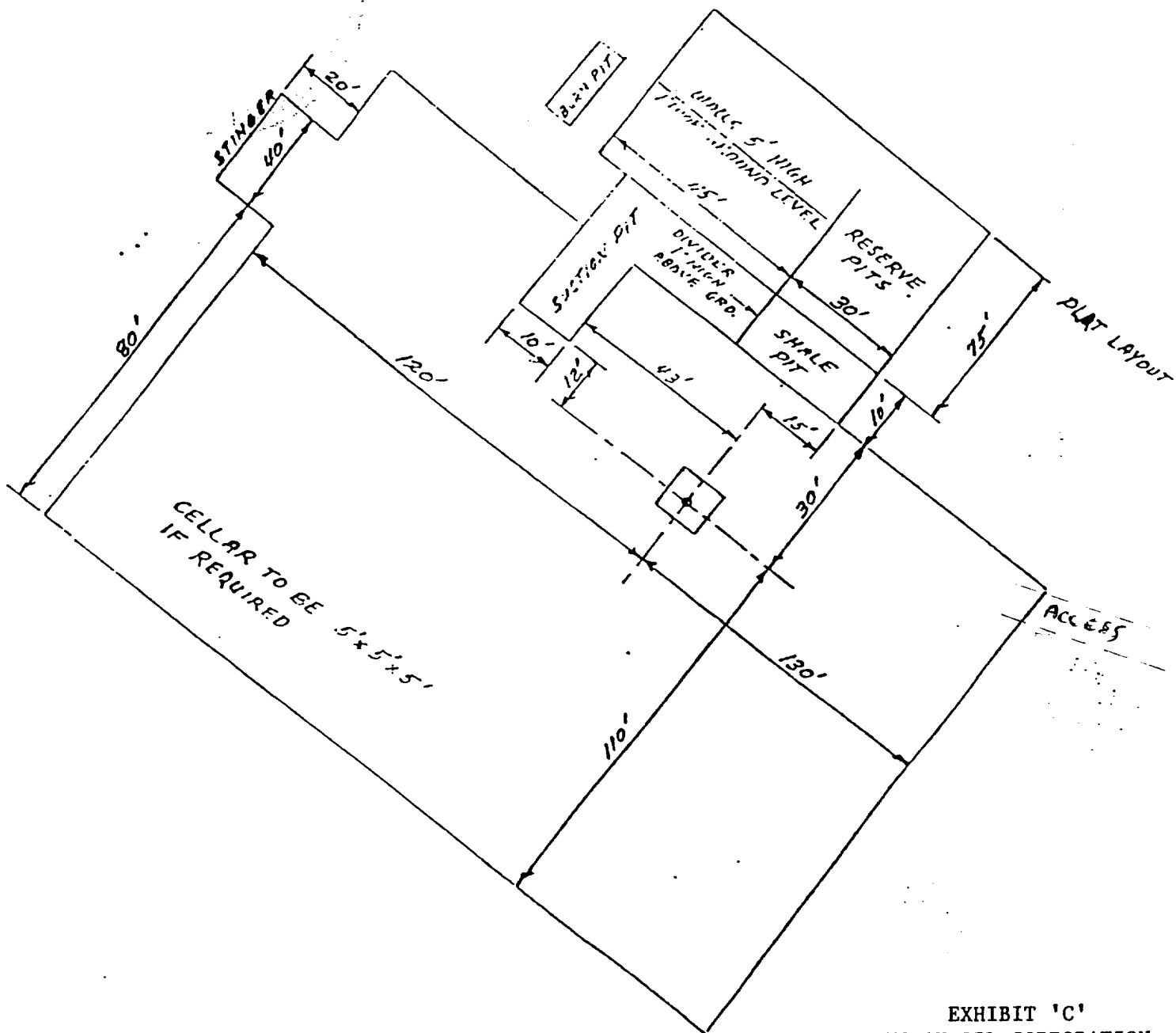
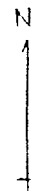
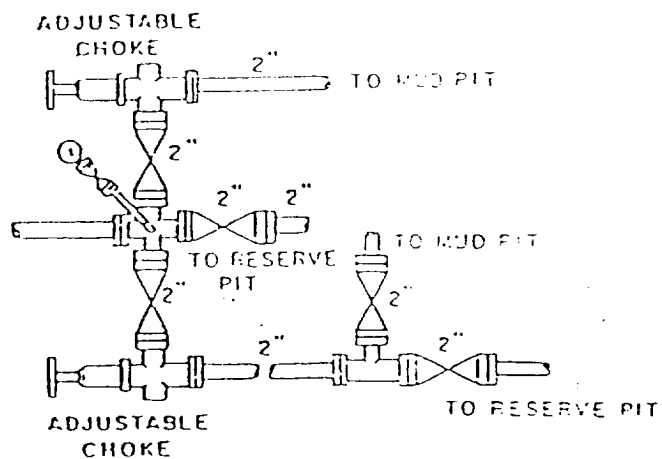
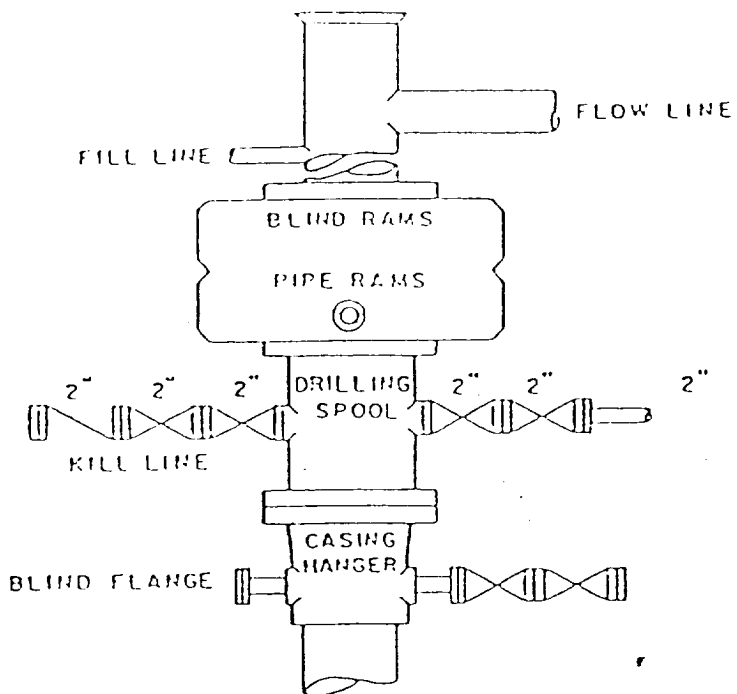


EXHIBIT 'C'
MCKAY OIL CORPORATION
Macho Federal No. 1

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ROSKELL AREA



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

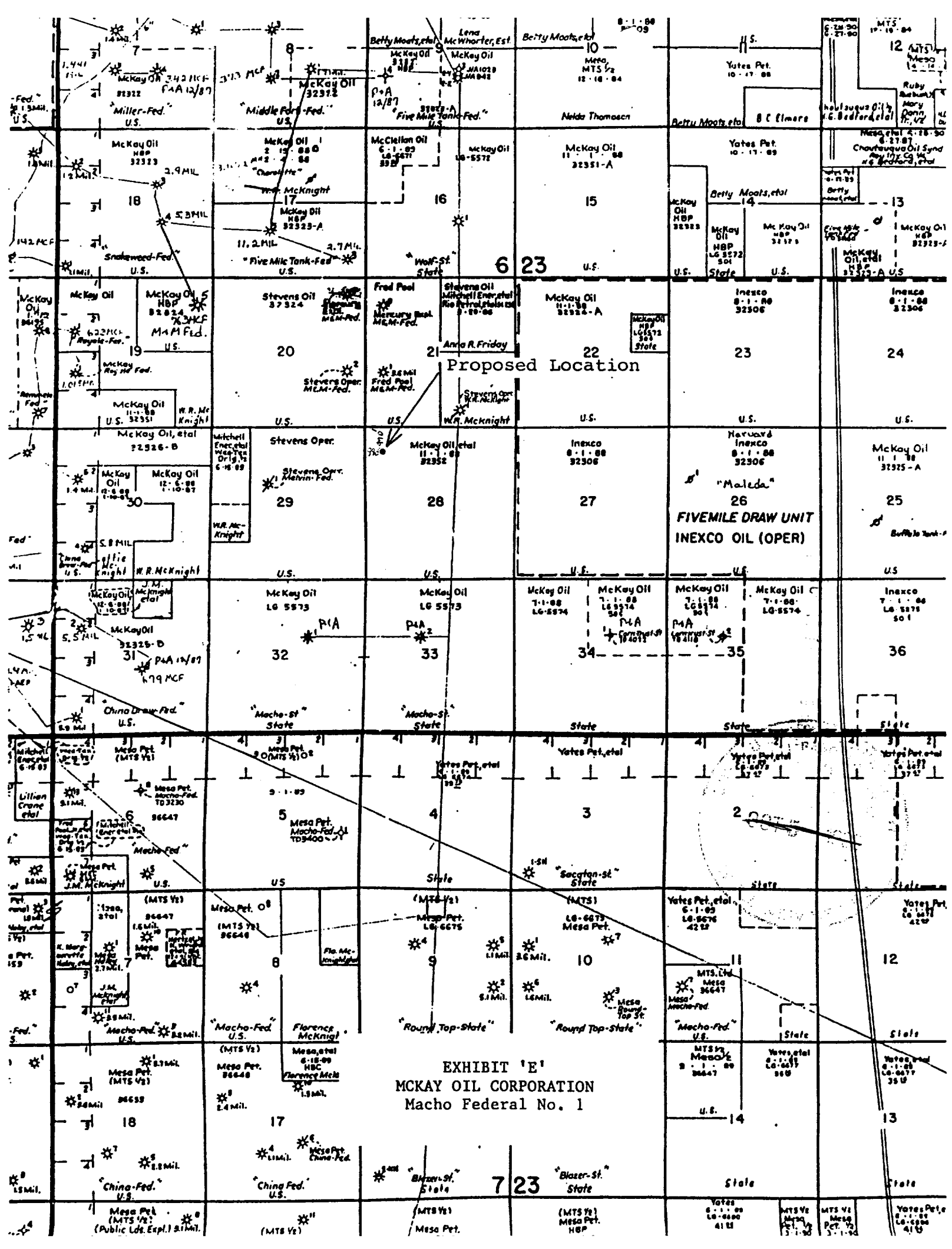
EXHIBIT D

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ROSWELL AREA



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BUREAU OF POST OFFICE
ROBERT L. KESLER
AREA 7

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

GRID ELEVATION:

JOB

SHEET NO.

OF

CALCULATED BY

DATE

CHECKED BY

DATE

SCALE

NW
4089

400'

NE
4100

400'

4097

400'

SW
4092

400'

SE
4104

MACHO FEDERAL #1
990 FNL, 990 FWL
SECTION 28, T.6S., R.23E.
N.M.P.M.

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