

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-36195	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR McKay Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, NM 88202		8. FARM OR LEASE NAME Remmele Fed. Com.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 2310' FSL - 660' FEL At proposed prod. zone		9. WELL NO. 14	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 25 north of Roswell, NM		10. FIELD AND POOL, OR WILDCAT W. Pecos Slope Abo	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26, T6S, R22E	
16. NO. OF ACRES IN LEASE 2,560.0		12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160.0		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,310.0'		20. ROTARY OR CABLE TOOLS rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4103 GL		22. APPROX. DATE WORK WILL START* 1-15-92	

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 J-55	900+	850 cf cement circulated
7 7/8"	4 1/2"	10.5 J-55	TD <i>See drilling slips</i>	1200 cf cement including 480 cf 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.

Post ID-1
2-21-92
New line 4 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 S. S. Self TITLE Agent DATE 1-2-92

(This space for Federal or State office use)

PERMIT NO. David Stout APPROVAL DATE 2/1/92
APPROVED BY David Stout TITLE Asst Area Manager DATE 2/1/92
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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BUTLER
ROSWELL AIR FORCE
AREA

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

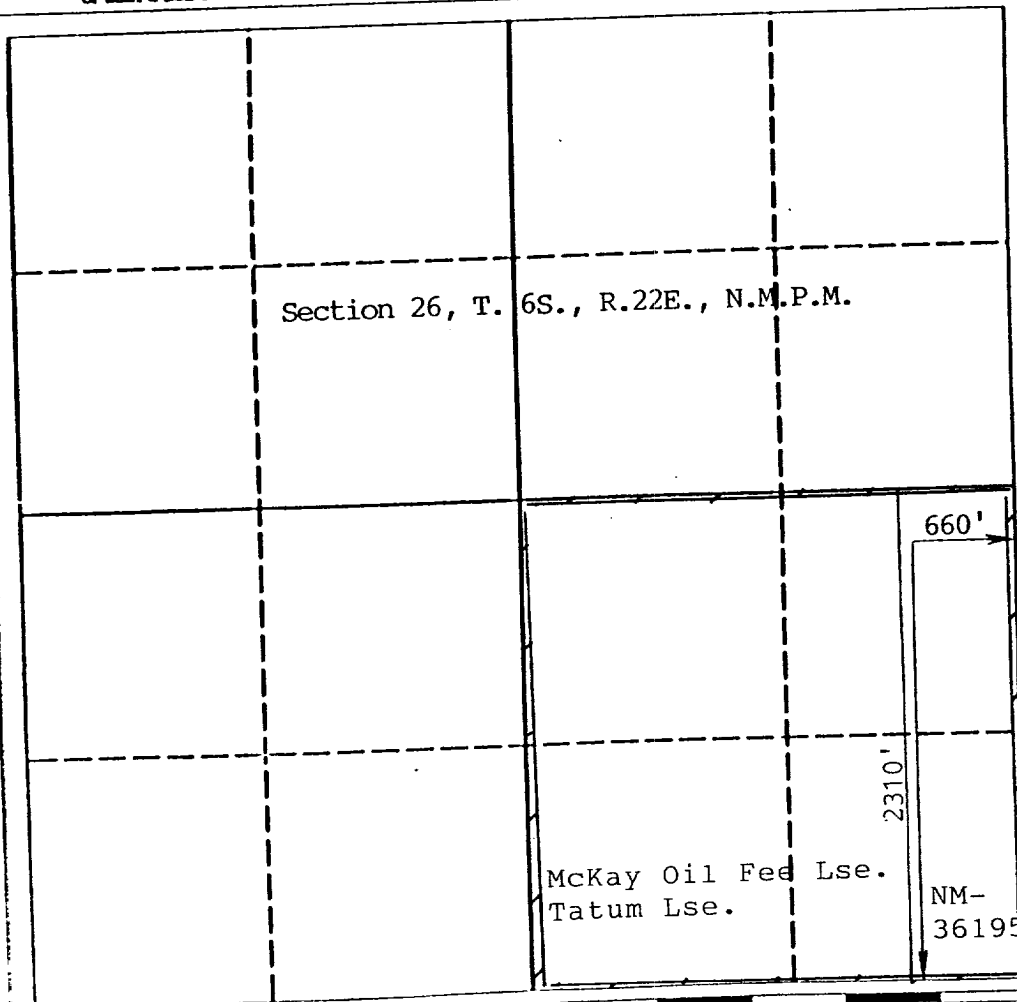
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator McKay Oil Corporation			Lease Remmele Federal Com.		Well No. #14
Unit Letter I	Section 26	Township 6S.	Range 22E.	County Chaves	
Actual Footage Location of Well: 2310 feet from the South line and 660 feet from the East line					
Ground level Elev. 4103	Producing Formation ABO		Pool W. Pecos Slope Abo		Dedicated Acreage: 160.0 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



OPERATOR CERTIFICATION

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

Signature *Sam L. Shackelford*
Printed Name Sam L. Shackelford
Position Agent
Company McKay Oil Corp.
Date 1-2-92

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
12/9/91

Signature & Seal of
Professional Surveyor

James L. Shackelford
NEW MEXICO
6290
Certificate No. 6290
Professional Engineer

Bk. 61, Pg. 78-79

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PERTINENT INFORMATION

For

MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

<u>LOCATED:</u>	24 air miles Northwest of Roswell, N.M.
<u>LEASE NUMBER:</u>	NM-36195
<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>	2,560.0 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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ROBERT L. MOSE

SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico
NM-36195

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	-	745'
Tubb	-	2263'
Abo	-	2953'
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Fresh Water	-	In surface formation above 600'
Gas	-	In Abo formation below 2950'
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of at least a double-ram blowout preventer rated to 3000#WP. A sketch of the BOP is attached. *Used at 2M system.*
6. CIRCULATING MEDIUM:
Air Drilling to 100' above the top of the Abo formation. Then mud-up till 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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9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated.
10. ANTICIPATED STARTING DATE: January 15, 1992
Drilling should be completed within 60 days.
Completion operations (perforations and stimulation)
will follow drilling operations.

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BOB ROSEN
JAN 3 2 50 PM '92

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico
NM-36195

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 25 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 5 miles to McKnight ranch house, just past ranch house and Macho Draw crossing go south for approximately 3,000 feet to gravel pit, then West for 5,000 feet to fork in the road, staying left head South for 2,400 feet to fork in the road, turn right, heading West go 2,700 feet to location on right.

2. PLANNED ACCESS ROAD:

- A. Length and Width: Less than 50' of new access. The new access will probably be within the 125' location grid. 14 feet wide.
- B. Surfacing Materials: Sand, gravel and caliche where needed.
- C. Turnouts: none
- D. Maximum Grade: No more than 2%.
- 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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NO.

- F. Culverts: None.
 - G. Cut and Fill: Less than 5 feet.
 - 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: 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 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 SE/4SE/4 Sec. 24-6S-22E and SW/4SW/4 of Sec. 19-6S-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 very slightly to the northeast.
 - 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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AND A

to the northeast in the vicinity of the access road and northeast in the vicinity of the drill pad. Regional slope is northeast toward the Arroyo Del Macho which is approximately 1 3/4 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: Macho Draw is about 1 3/4 mile northeast of the proposed location.
- E. Residences and other Structures: The McKnight ranch house is approximately 2 miles northeast 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

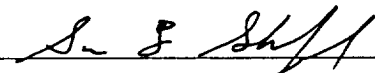
12. OPERATOR'S REPRESENTATIVE:

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.

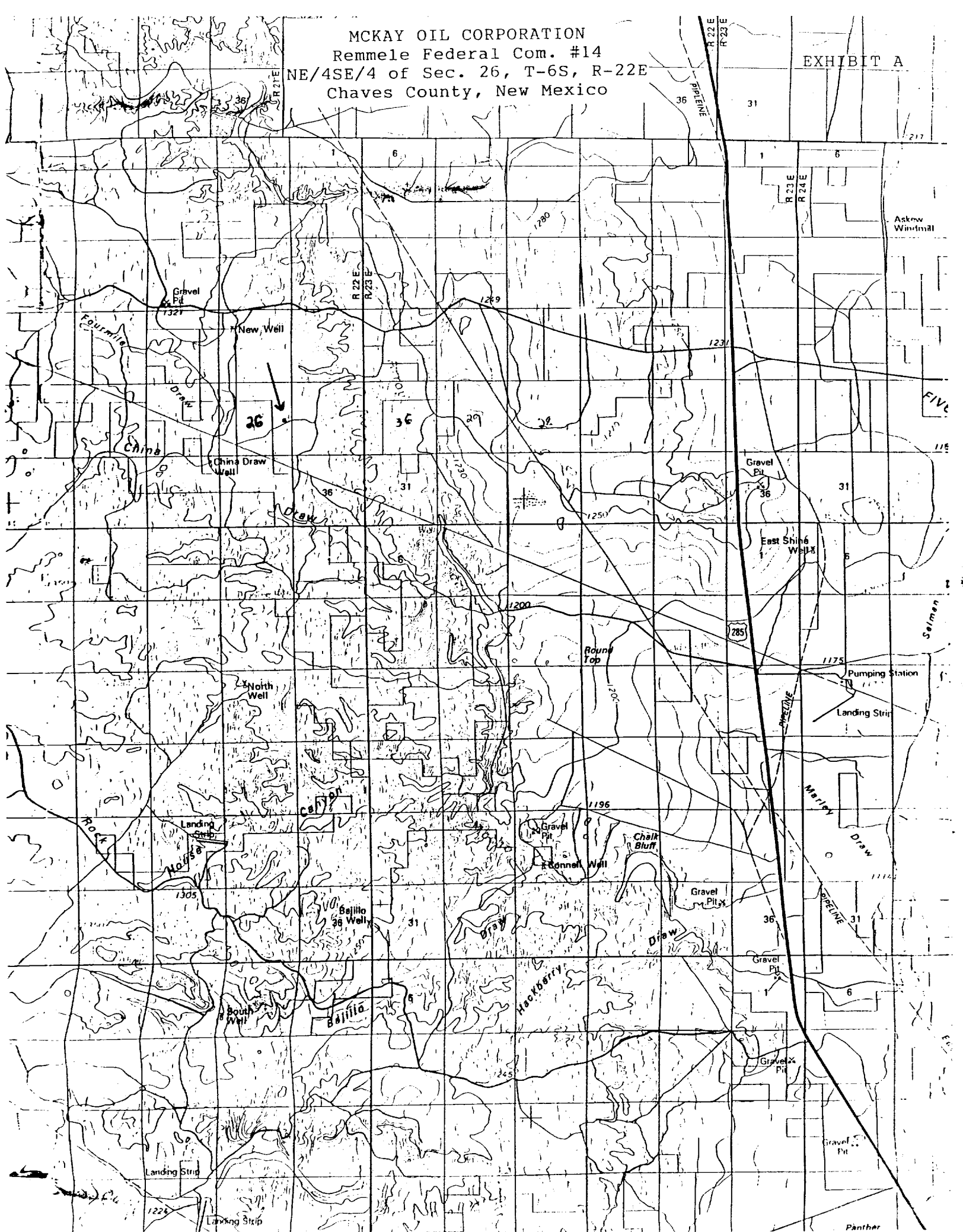
1-2-92
DATE:



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Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

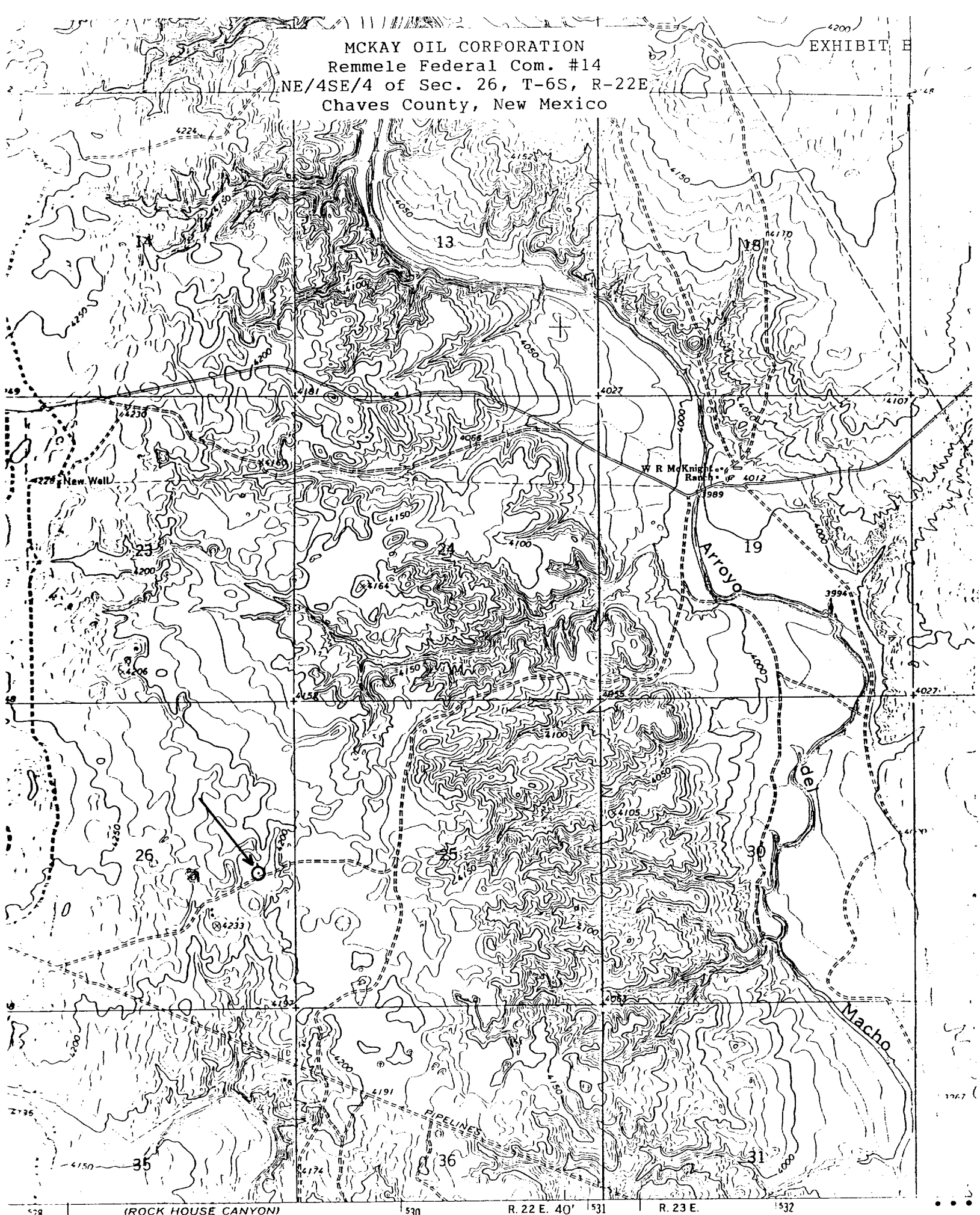
EXHIBIT A



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RSCC
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MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

EXHIBIT E



(ROCK HOUSE CANYON)
5051 II NW

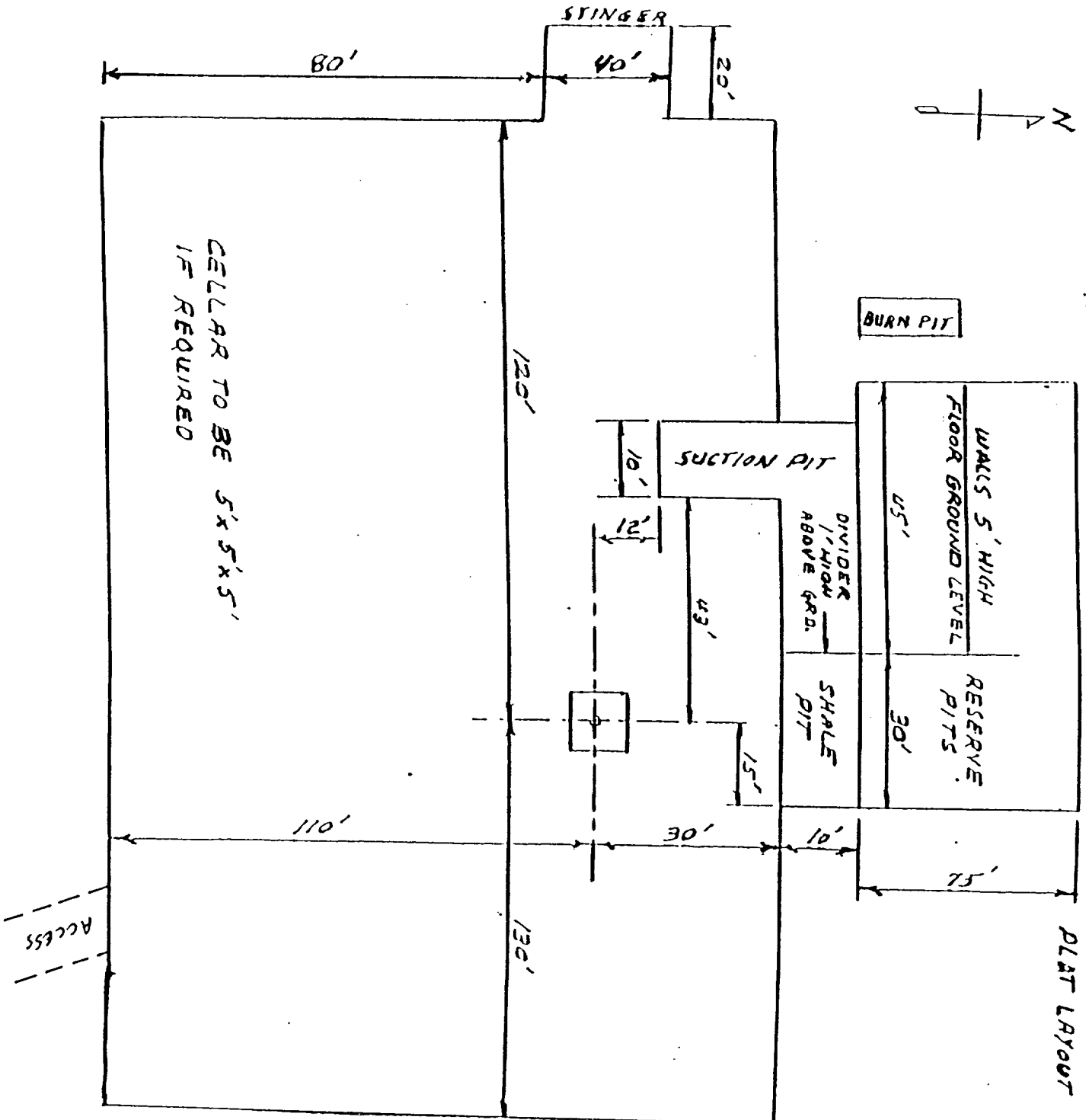
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HAWAII

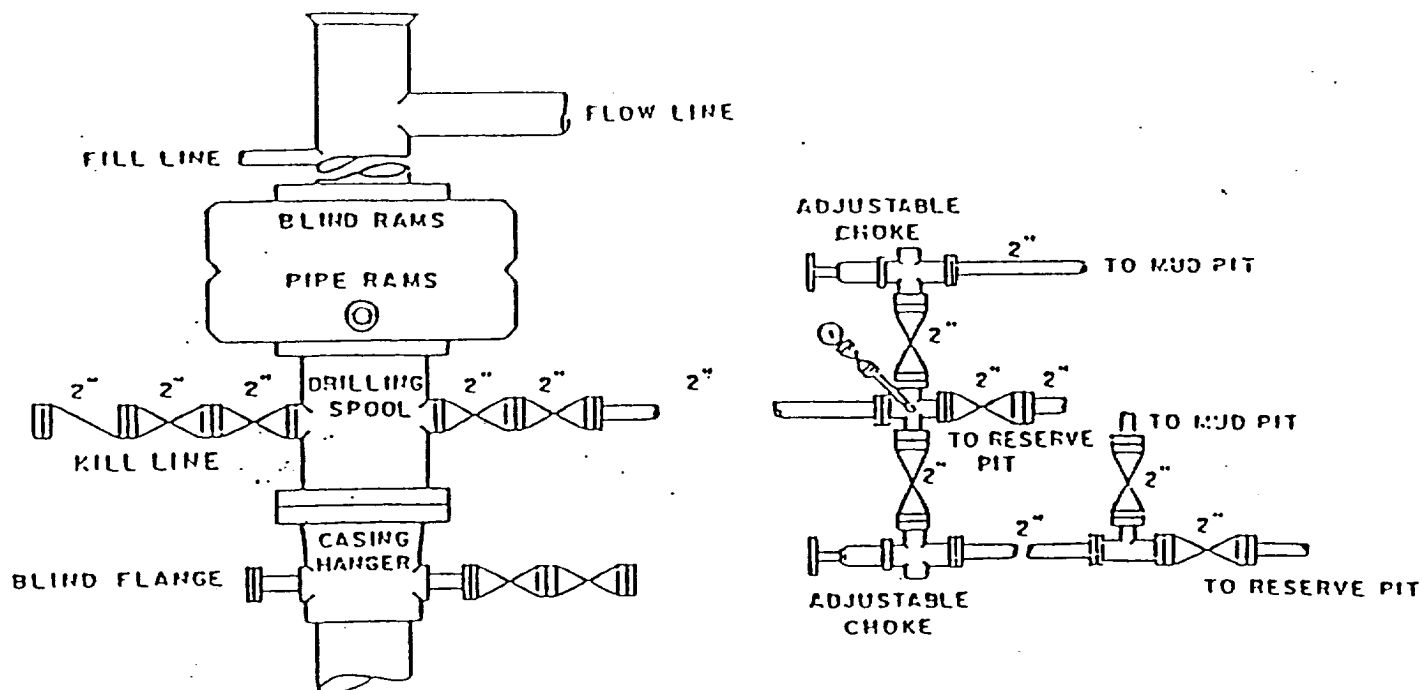
MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

EXHIBIT C



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MCKAY OIL CORPORATION
 Remmele Federal Com. #14
 NE/4SE/4 of Sec. 26, T-6S, R-22E
 Chaves County, New Mexico



BOP DIAGRAM

3000# Working Pressure
 Rams Operated Daily

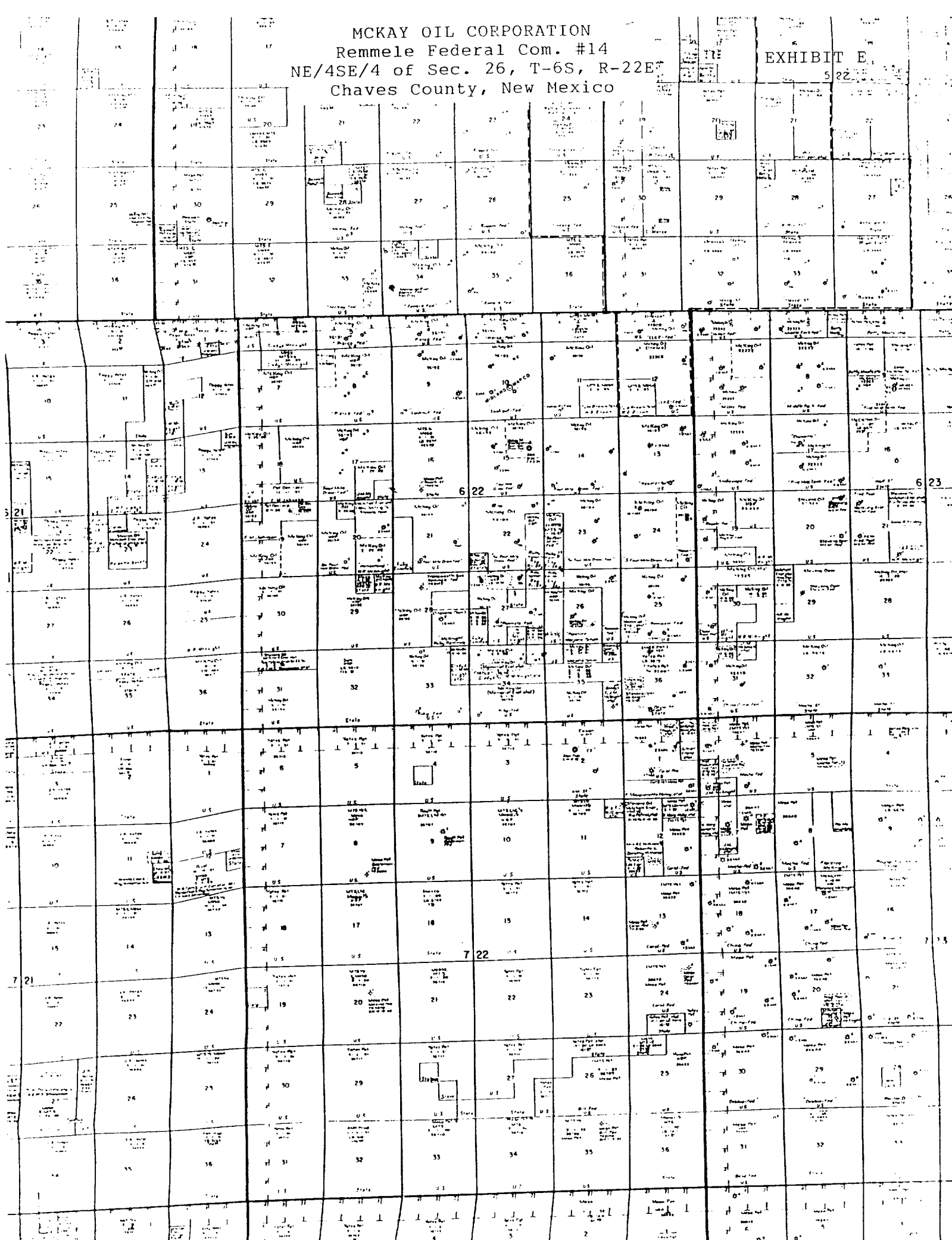
EXHIBIT D

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JUN 3 2 50 PM '92
BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20535

MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

EXHIBIT E.

522



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SOUTHERN DISTRICT
ROBERT J. ROBERTS
JAN 3 2 50 PM '92

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

GRID ELEVATIONS

JOB _____

SHEET NO. _____ OF _____

CALCULATED BY _____ DATE _____

CHECKED BY _____ DATE _____

SCALE _____

NW
4103

400'

NE
4102

400'

4103

400'

SW
4103

400'

SE
4103

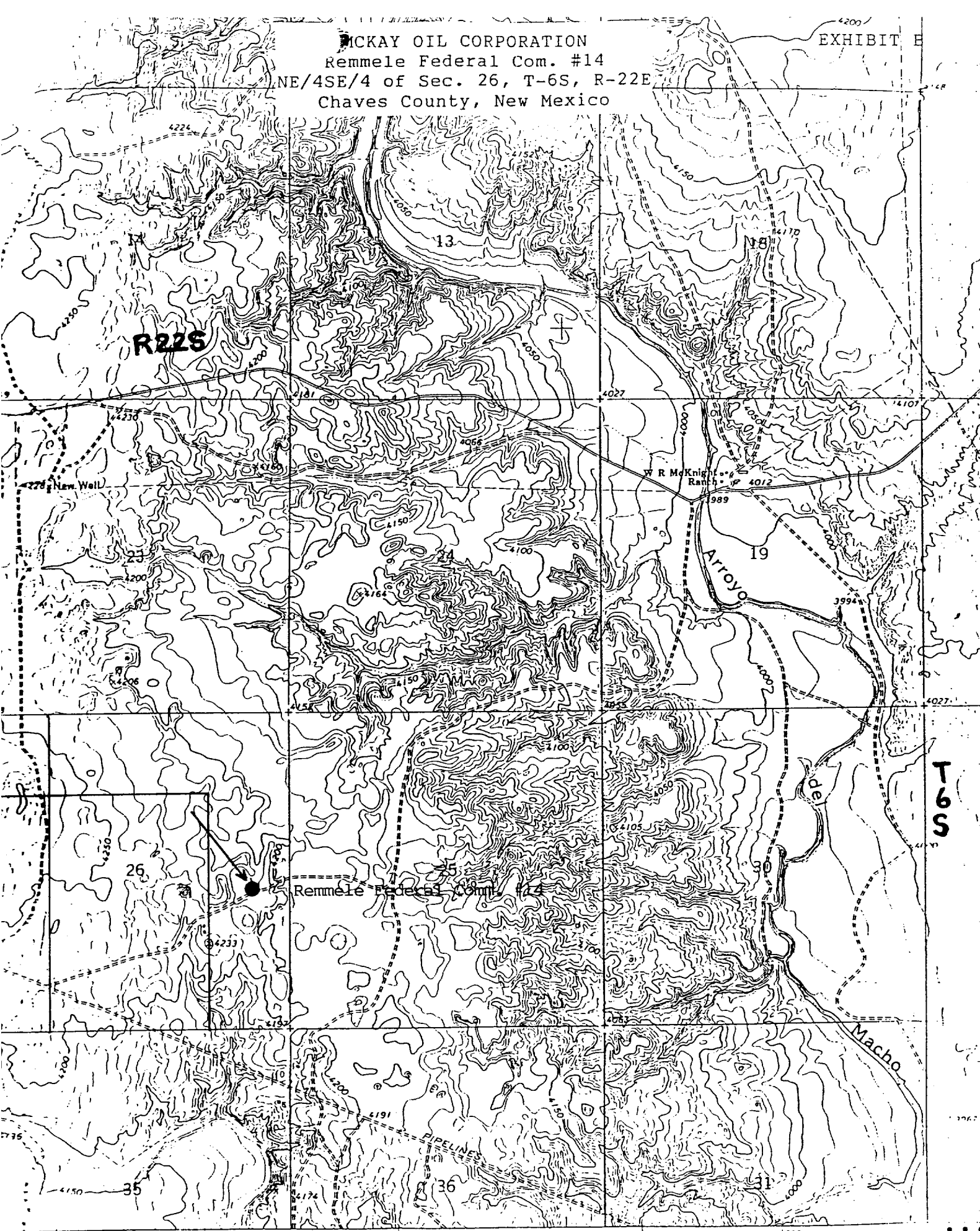
Remmele Federal Com. #14
2310 FSL, 660 FEL
Section 26, T.6S., R.22E.

EXHIBIT F

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JAN 3 2 50 PM '97
BUREAU OF POST
ROCKFORD, ILL.
JAN 3 1997

MCKAY OIL CORPORATION
Remmele Federal Com. #14
NE/4SE/4 of Sec. 26, T-6S, R-22E
Chaves County, New Mexico

EXHIBIT E



(ROCK HOUSE CANYON)
5051 11 NW

SCALE 1:24 000

R. 22 E. 40' 1531

R. 23 E.

1532

1 MILE