

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

CLIST  
BLM  
AP

RECEIVED

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|                                                                                                   |                              |                                         |                            |
|---------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|----------------------------|
| Operator Name and Address.<br>McKay Oil Corporation<br>P.O. Box 2014<br>Roswell, New Mexico 88202 |                              | NOV 19 1996<br>OIL CON. DIV.<br>DIST. 2 | OGRID Number<br>014424     |
| Property Code<br>6675                                                                             | Property Name<br>Cactus Com. | Well No.<br>#3                          | API Number<br>30-005-63113 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn  | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| H             | 34      | 6S       | 22E   | SE/4NE/4 | 1634'         | North            | 1246'         | East           | Chaves |

8 Proposed Bottom Hole Location If Different From Surface

| UL or lot no.                         | Section | Township | Range | Lot Idn | Feet from the            | North/South line | Feet from the | East/West line | County |
|---------------------------------------|---------|----------|-------|---------|--------------------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>W. Pecos Slope Abo |         |          |       |         | Proposed Pool 2<br>82740 |                  |               |                |        |

|                     |                          |                        |                               |                                  |
|---------------------|--------------------------|------------------------|-------------------------------|----------------------------------|
| Work Type Code<br>N | Well Type Code<br>G      | Cable/Rotary<br>Rotary | Lease Type Code<br>P          | Grossed Level Elevation<br>4169' |
| Multiple<br>No      | Proposed Depth<br>3,000' | Formation<br>Abo       | Contractor<br>United Drilling | Spud Date<br>11/22/96            |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4"   | 8 5/8"      | 24 J-55            | 900+          | 850+            | Surface       |
| 7 7/8"    | 4 1/2"      | 9.5 J-55           | TD            | 1200+           | 1500' to 800' |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

McKay Oil Corporation proposes to drill and test the Abo Formation. Approximately 900 feet 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.

Posted ID-1  
NA & API  
11-27-96

Notified N.M.O.C.C. in sufficient  
time to witness cementing  
the 8 5/8" casing

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

Signature:

Bill J. Milstead

Printed name:

Bill J. Milstead

Title:

Vice President - Land and Legal

Date:

11/19/96

Phone:

(505) 623-4735

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

11-20-96

Expiration Date:

11-20-97

Conditions of Approval:

Attached ☐

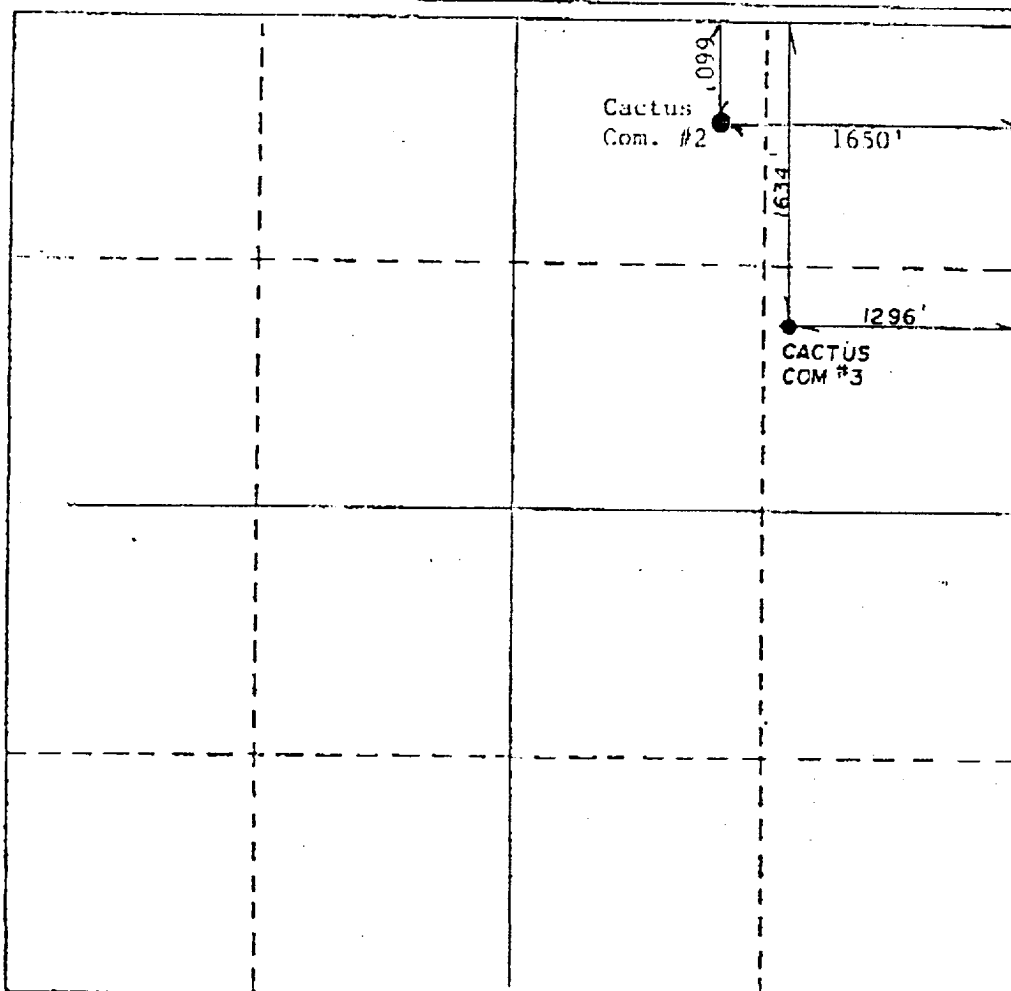
|                                                                                                                                |                      |                            |                                        |                                  |      |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|----------------------------------------|----------------------------------|------|
| Operator<br><b>McKay Oil Corporation</b>                                                                                       |                      | Lease                      |                                        | Well No.                         |      |
| Unit Letter<br><b>H</b>                                                                                                        | Section<br><b>34</b> | Township<br><b>6 South</b> | Range<br><b>22 East</b>                | County<br><b>Chaves</b>          |      |
| Actual Footage Location of Well:<br><b>1634</b> feet from the <b>North</b> line and <b>1296</b> feet from the <b>East</b> line |                      |                            |                                        |                                  |      |
| Ground Level Elev.<br><b>4169</b>                                                                                              | Producing Formation  |                            | Pool<br><b>Peers Slope; Abajo West</b> | Dedicated Acreage:<br><b>160</b> | Acre |

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 \_\_\_\_\_

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.

*Bill J. Milstead*  
Name  
VP - Land & Legal  
Position  
McKay Oil Corporation  
Company  
11-19-96  
Date

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.

*Jackie D. Atkins*  
Date Surveyed  
Jackie D. Atkins  
Registered Professional Engineer  
and/or Licensed Surveyor  
PE-6403  
SANTA FE, NEW MEXICO  
8504

Certificate No.

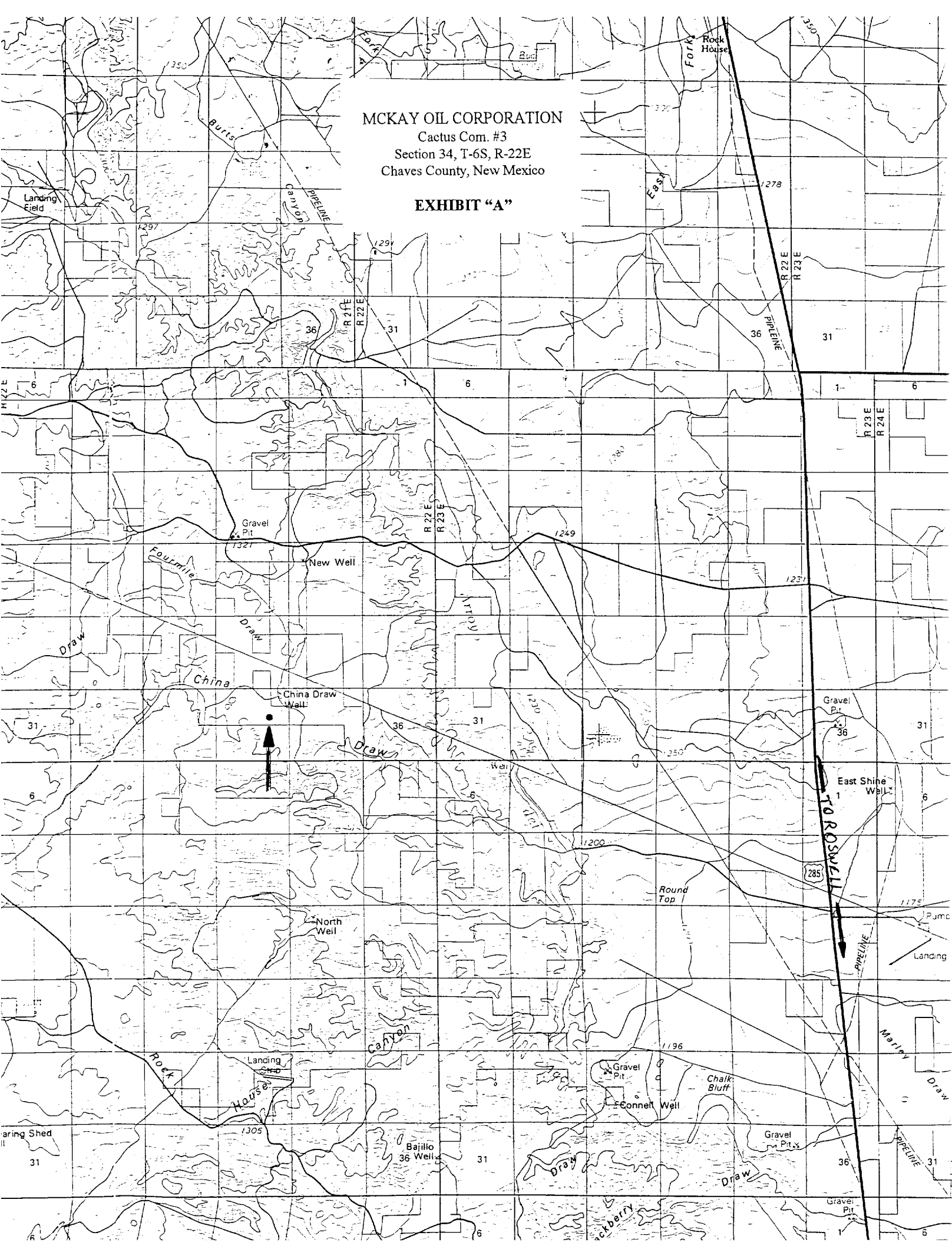
MCKAY OIL CORPORATION

Cactus Com. #3

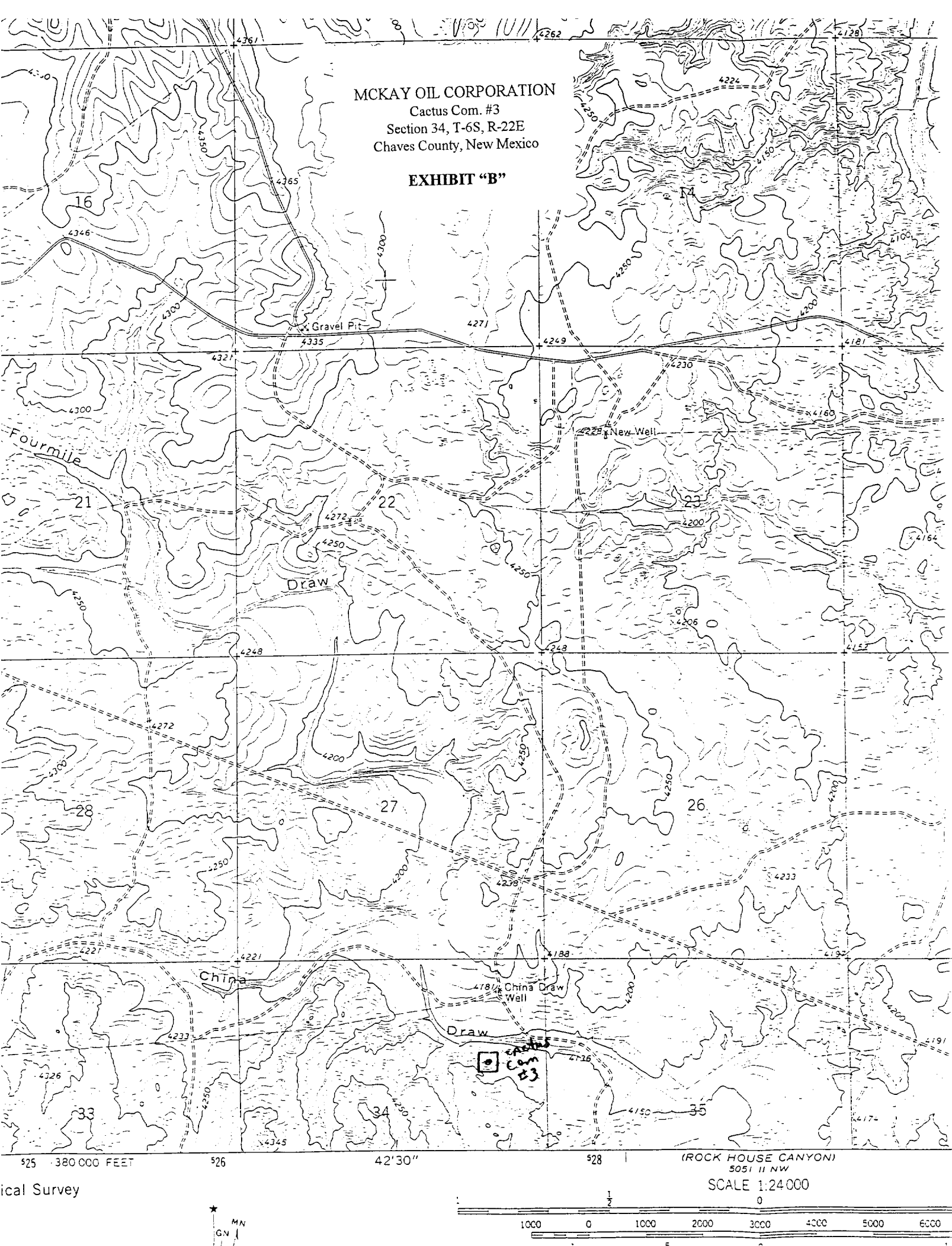
Section 34, T-6S, R-22E

Chaves County, New Mexico

EXHIBIT "A"



**EXHIBIT "B"**



UNITED DRILLING, INC.  
LOCATION PLAT

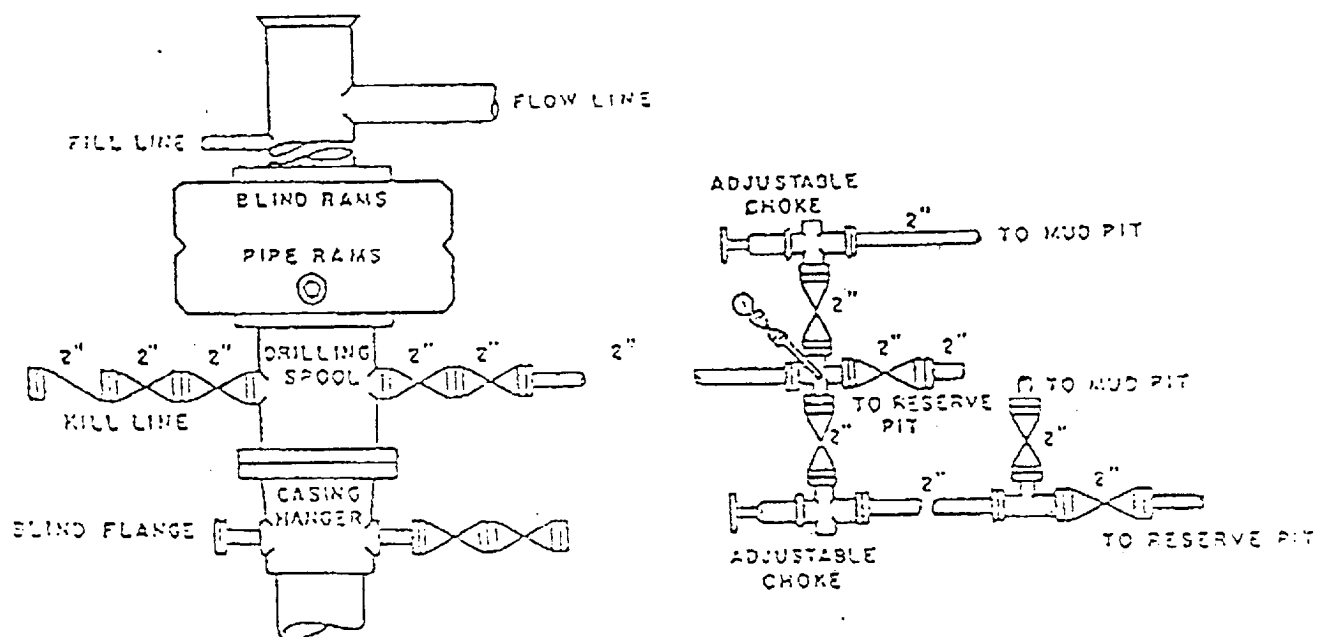
MCKAY OIL CORPORATION

Cactus Com. #3

Section 34, T-6S, R-22E

Chaves County, New Mexico

EXHIBIT "D"



BOP DIAGRAM

3000# Working Pressure  
Rams Operated Daily