

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 14424

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
660' FSL & 2058' FEL
At proposed prod. zone Ut. 0

5. LEASE DESIGNATION AND SERIAL NO.
NM-36194

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
30-805-63/52

8. FARM OR LEASE NAME
21675

9. WELL NO.
8: Four Mile Draw "B" Fed. # asm

10. FIELD AND POOL, OR WILDCAT
W. Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
82740
Sec. 22, T6S, R22E

12. COUNTY OR PARISH
Chaves

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 25 miles north of Roswell, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
2,520.00

17. NO. OF ACRES ASSIGNED TO THIS WELL
160.00

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1,100'

19. PROPOSED DEPTH
3000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4157' GL

22. APPROX. DATE WORK WILL START*
August 1, 1997

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"	23 X-42	900+	800+ cf cemented and circulated
7 7/8"	4 1/2"	10.5 J-55	TD	1200 cf cemented

McKay Oil Corporation proposes 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 set 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.

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 Bill J. M. Steward TITLE Vice President DATE 7/23/97

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Earle Smith TITLE Acting Area Mgr. DATE 9/26/97
CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 83210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63152		Pool Code 82740	Pool Name West Pecos Slope Abo
Property Code	Property Name S 4 MILE DRAW FED COM "B"		Well Number 8
GRID No. 014424	Operator Name McKAY OIL CORP.		Elevation 4257

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	22	6S	22E		660	SOUTH	2058	EAST	CHAVES

¹¹ 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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Bill J. Milstead</i> Signature Bill J. Milstead Printed Name Vice President - Land and Legal Title 8/4/97 Date</p>	
	<div>18 SURVEYOR CERTIFICATION</div> <p>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 belief</p> <p>JULY 97 Date of Survey Signature and Seal of Jack D. Atkins LS 8504 Certificate Number</p>	

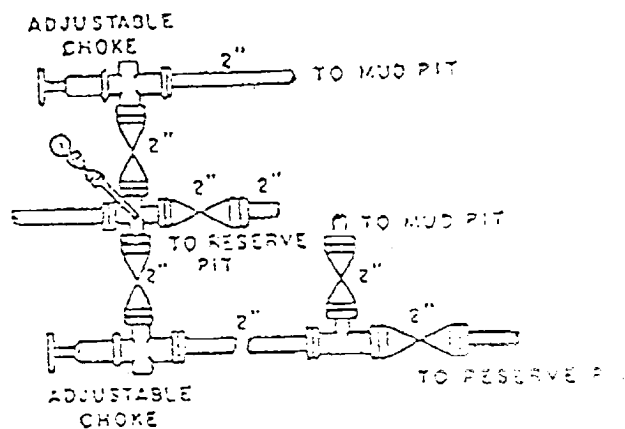
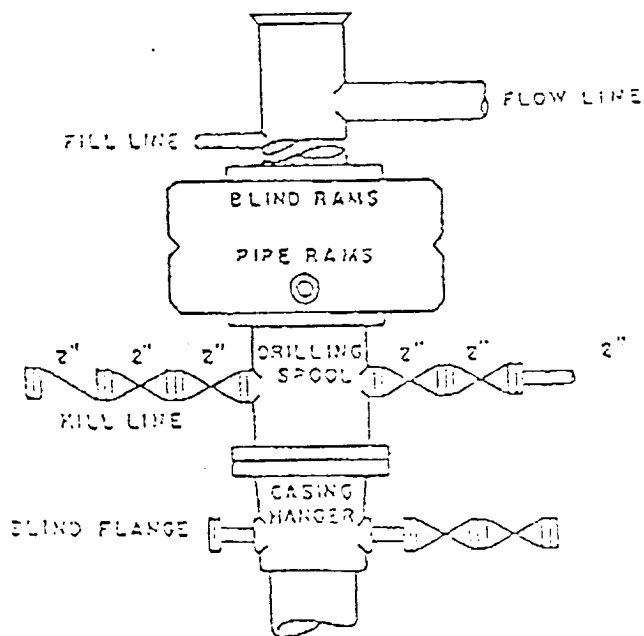
SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
SOUTH 4 MILE DRAW FEDERAL "B" #8
SW/4SE/4 of Sec. 22, T-6S, R-22E
Chaves County, New Mexico

The following items supplement Form 3160-3 in accordance with instruction contained in Onshore Oil and Gas Order No. 1:

1. SURFACE FORMATION: San Andres
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS:
Yeso - 876'
Tubb - 2372'
Abo - ~~3052'~~ 2625' 134C
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:
Fresh Water - In surface formation above 600'
Gas - In Abo Formation below 3052'
4. PROPOSED CASING PROGRAM: See Form 3160-3 30C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of 2 ram, 2M w/ Rotary Head with a rotating rubber with 1,000#WP and 1,000# test pressure and a steel Blooey Line with 1,000#WP valve. A sketch of the BOP is attached.
6. CIRCULATION MEDIUM: Air Drilling
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.

EXHIBIT "D"



FOR DIAGRAM

3000# Working Pressure
Rams Operated Daily