

N. M. Oil Cons. Division

Form 9-331 C
(May 1963)

811 S. 1ST ST.
ARTESIA, NM 88210-2834
SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

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 ☐ SINGLE ZONE ☐ MULTIZONE ☐

2. NAME OF OPERATOR McKay Oil Corporation 14424

3. ADDRESS OF OPERATOR P.O. Box 2014, Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 2,058' FSL & 2,058' FWL
At proposed prod. zone 24.15

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) 2,058'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,068'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4267' GL

16. NO. OF ACRES IN LEASE 2,520.00

19. PROPOSED DEPTH 3000'

17. NO. OF ACRES ASSIGNED TO THIS WELL 160.00

20. ROTARY OR CABLE TOOLS Rotary

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 & 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 production 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 B. J. M. [Signature] 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:

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 2023

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Aztec, 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 CORP.			Lease S 4 MILE DRAW FED COM "B"		Well No. 11
Unit Letter K	Section 22	Township 6S	Range 22E	County CHAVES	
Actual Footage Location of Well: 2058 feet from the SOUTH line and 2058 feet from the WEST line					
Ground level Elev. 4267	Producing Formation ABO		Pool W. Pecos Slope Abo		Dedicated Acreage: 160 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 **Communitization**
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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

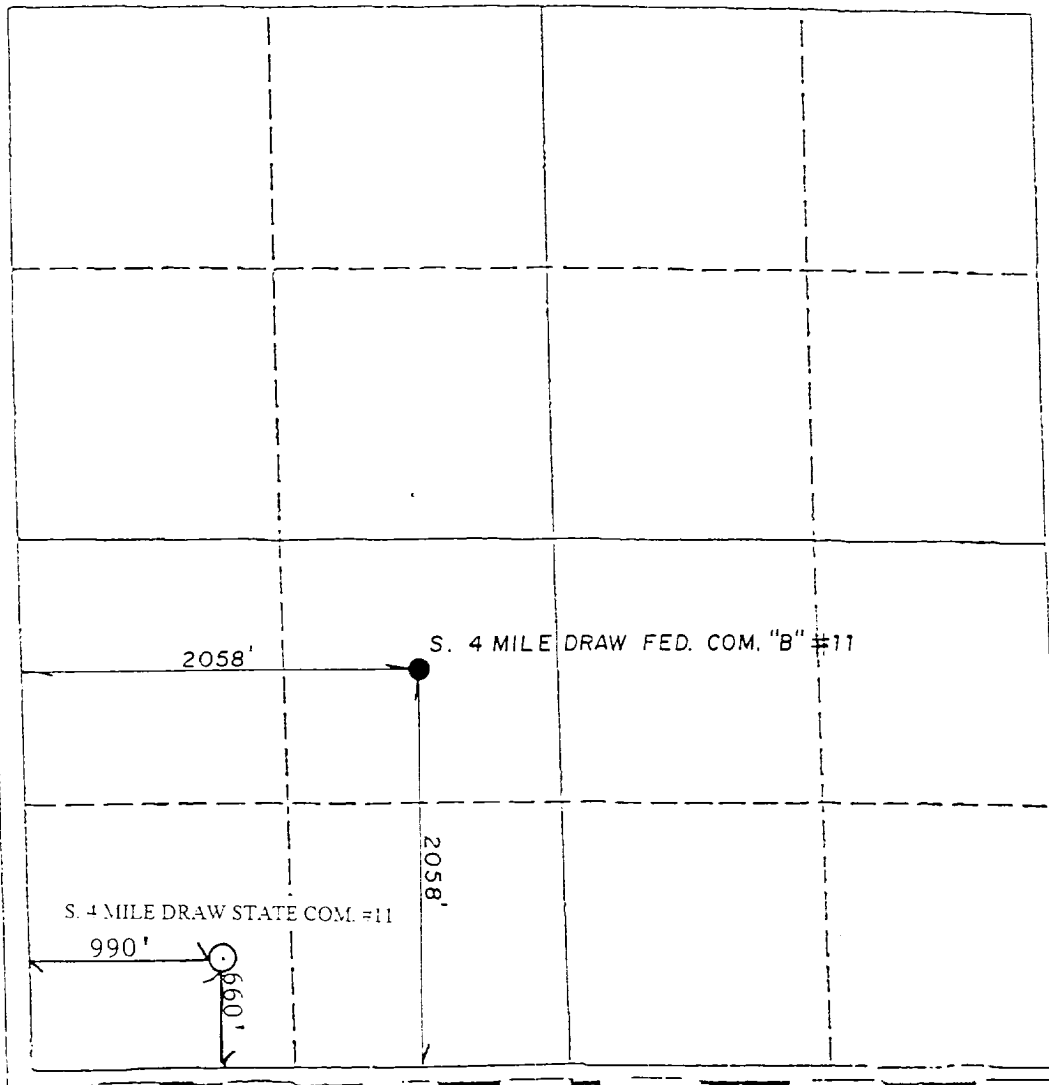
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>Bill J. Milstead</i>
Printed Name Bill J. Milstead
Position Vice President
Company McKay Oil Corporation
Date 12-20-96

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 12-20-96
Signature of Professional <i>Jackie D. Atkins</i>
Professional Seal JACKIE D. ATKINS NEW MEXICO 8504 LAND SURVEYOR
Certificate No. LS 8504



SUPPLEMENTAL DRILLING DATA

MCKAY OIL CORPORATION
SOUTH 4 MILE DRAW FEDERAL "B" #11
NE/4SW/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'

ABC

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:

Fresh Water - In surface formation above 600'
Gas - In Abo Formation below ~~3052'~~ 2625'

4. PROPOSED CASING PROGRAM: See Form 3160-3

MC

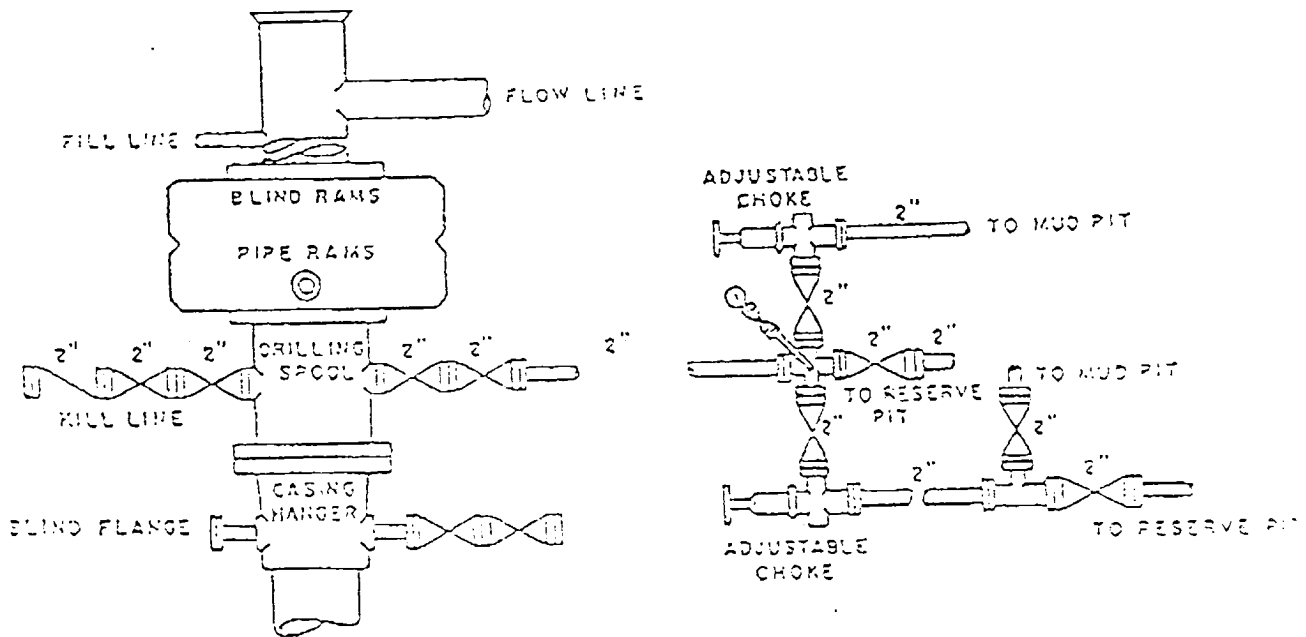
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of 2 ram, 2M system
✓ Rotary Head with a rotating rubber with 1,000#WP and 1,000# test pressure and a steel Blooey Line with 1,000#WP valve. A sketch of the BOP is attached.

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.

MCKAY OIL CORPORATION
S. FOUR MILE DRAW FEDERAL "B" #11
NE/4SW/4 OF Sec. 22, T-6S, R-22E

EXHIBIT "D"



EOP DIAGRAM

3000# Working Pressure
Rams Operated Daily