

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 ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKay Oil Corporation

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

588' FSL & 2000' FWL

At proposed prod. zone

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

Approximatelt 24 miles north of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 588'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1,062'

16. NO. OF ACRES IN LEASE

2,560.00

19. PROPOSED DEPTH

3,000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160.00

20. ROTARY OR CABLE TOOLS

Rotary

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

4166' 4171' 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 cement circulated |
| 7 7/8" | 4 1/2" | 10.5 J-55 | TD | 1200 cf cement |

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 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.

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 G. M. L. Smith

TITLE Vice President

DATE

7/23/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Earl 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 88210
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 30-005-63156 | | Pool Code 82740 | | Pool Name West Pecos Slope Abo | |
| Property Code | | Property Name REMMELE FED COM "B" | | | Well Number 11 |
| GRID No. 014424 | | Operator Name MCKAY OIL CORP. | | | Elevation 4166 |

¹⁰ Surface Location

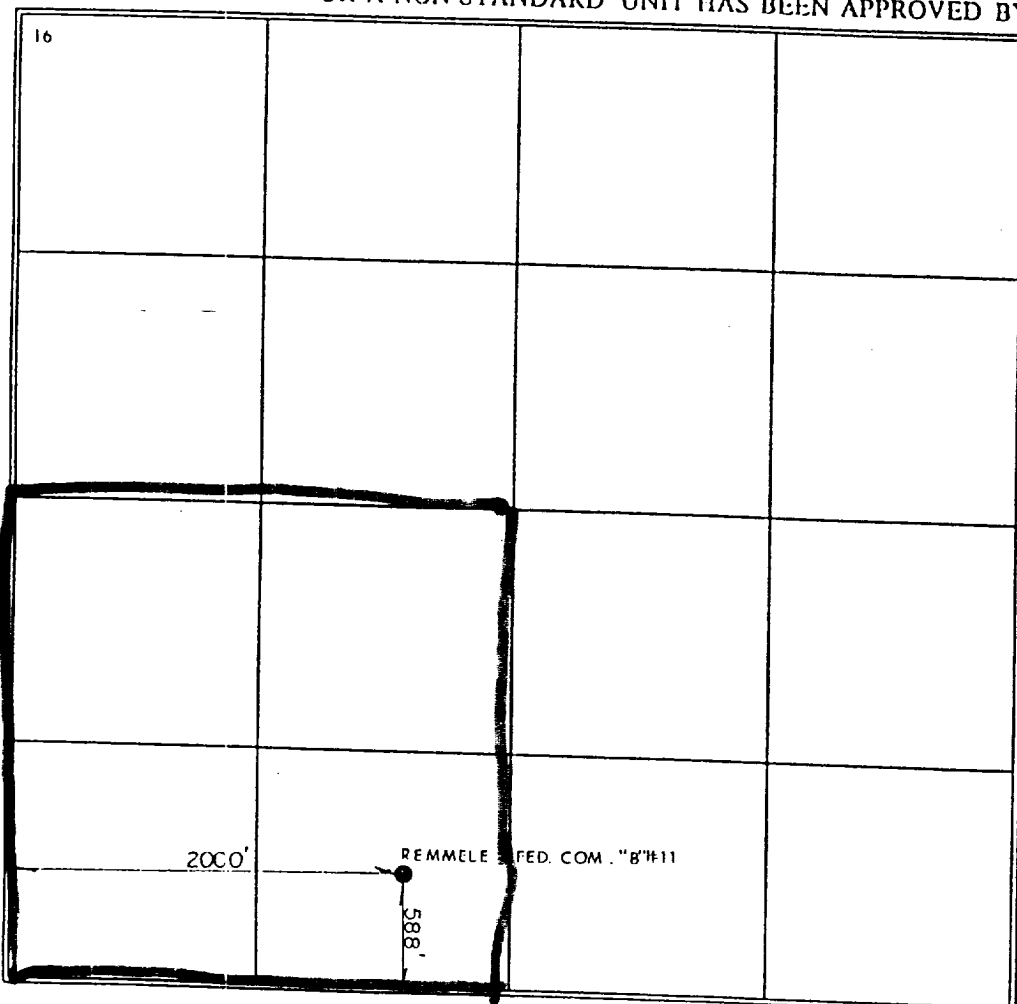
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 27 | 6S | 22E | | 588 | SOUTH | 2000 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | Order No. |
|-------------------------------|-----------------|--------------------|-----------|

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



¹⁷ OPERATOR CERTIFICATION

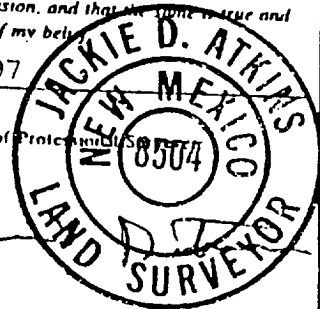
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bill J. Milstead
Signature
Bill J. Milstead
Printed Name
Vice President - Land & Legal
Title
8/4/97
Date

¹⁸ 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 are true and correct to the best of my belief

JULY 97
Date of Survey
Signature and Seal of Professional Surveyor
Jackie D. Atkins
LS 8504
Certificate Number





SUPPLEMENTAL DRILLING DATA

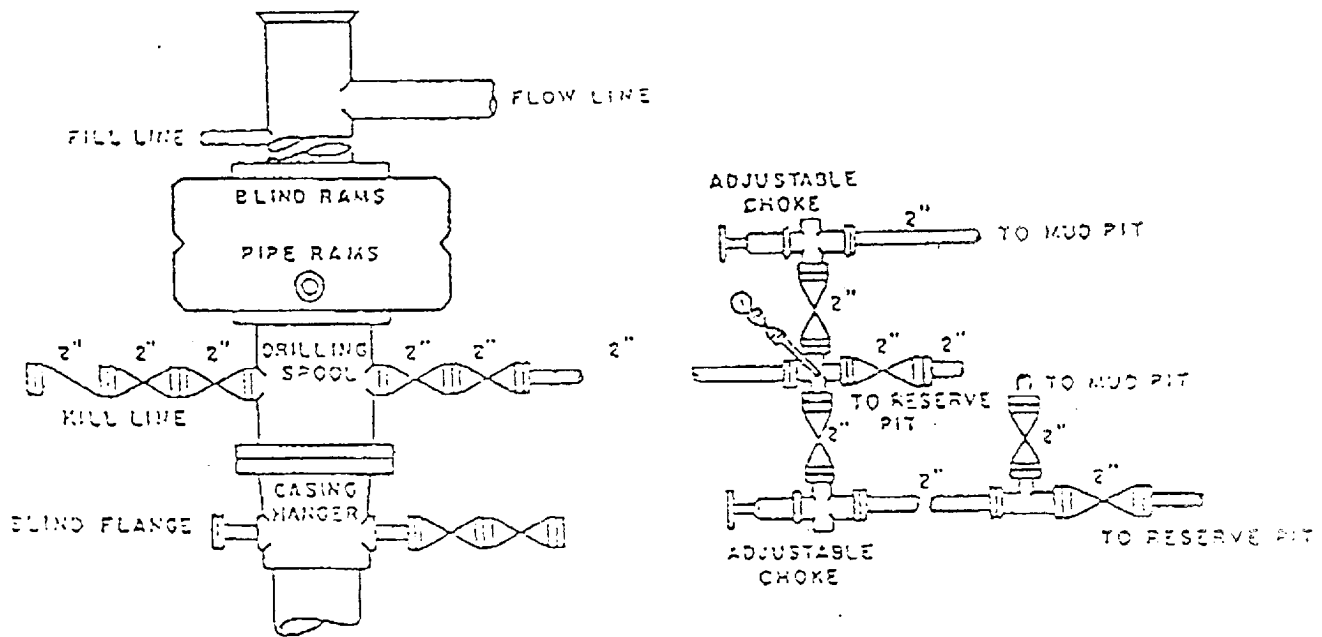
MCKAY OIL CORPORATION
REMMELE FEDERAL "B" #11
NE/4SW/4 of Sec. 27, T-6S, R-22E
Chaves County, New Mexico

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' JWC
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~~ 3160-3
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of 2 ram, 2M system 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.

MCKAY OIL CORPORATION
 REMMELE FEDERAL "B" #11
 NE/4SW/4 of Sec. 27, T-6S, R-22E

EXHIBIT "D"



EOP DIAGRAM

3000# Working Pressure
 Rams Operated Daily