District I 1625 N. Frenc District II 811 South Firs District III 1000 Rio Braz District IV 1220 S. St. Fra	st, Artesia, ì cos Road, A ancis Dr., Sa	ztec, NM 874 anta Fe, NM 100 ICATION MCK	NOV 2 RECEIV OCD - ART	ED SIA STATE OF THE PORTION COLUMN TO THE PO	Oil Conservation 220 South St. Santa Fe, N L, RE-ENTER	Natural Resou on Division Francis Dr.	Sul	bmit by appropri	r	
³ Propert 280	-				Property Name CICO "CS" "B"	STATE		⁶ Well No 2.		
				⁷ C.	£ Y4:			···-		
UL or lot no.	Section 2	Township 7S	Range 22E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line FEL	County CHAVES	
	Γ	8 -	Proposed Bo	ottom Hole	Location	NOTIEN OC	en entin e	TIME -		
UL or lot no.	Section	Township	Range	Lot Idn	1 CCC II OIII	NOTIFY OC FO WITNES		i C	County	
	Type Code		COS ABO SL		13 Cable/Rotary		⁴ Lease Type Code	15 Gro	und Level Elevation	
ļ	lultiple		G 17 Proposed Dept	h	ROTARY 18 Formation	· · · · · · · · · · · · · · · · · · ·	S 19 Contractor		4221 20 Spud Date	
N	IO		3200'	AE			ED DRILLNG?		FEB 2002?	
		T	21 P 1	coposed Ca	sing and Cen	nent Program				
Hole S			ng Size			Setting Depth Sacks			Estimated TOC	
7.7/		1	8 5/8 23# X-42 5 1/2 15.5# J-55			950' TD	750+		SURFACE 1500' TO 200'	
	0		1/2	13.3#_J	-33		1200+ 1		500' TO 800'	
									·	
pro MCKA SURFA WILL 1	ductive zon Y OIL C ACE CAS	e. Describe the ORPORAT ING WILL AND CEM	he blowout preve TION PROPOS , BE SET ANI	ntion program, SES TO DR D CEMENT	if any. Use addition ILL AND TEST ED TO SURFA	CK, give the data on the construction of the c	sary. DRMATION, A MERCIAL, 5 ½'	PPROXIMAT	TELY 950' OF ON CASING	
			given above is tru	e and complete	to the \$56	∜ OIL C	ONSERVAT:	ION DIVIS	ION	
best of my kno	wledge and	╮ ດ -∧	all		Annro		mal signed			
Signature:	- Tur		<u></u>		Title:	DIST	RICT II SUPE	RYISOR	·	
	Printed name: APRIL D. MCKAY Title: VICE PRESIDENT						29 2882		N. O. O. C.	
Date:						tions of Approval:			OV 2 2 2003	
11/20/02			505-623-4735			Attached				

PO Box 1980, Hobbs, NM 88241-1980 Diamet [] PO Drawer DD, Artesia, NM 88211-0719 District III

Proposed Pool 1

W. Pecos Slope Abo

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Form C-101 Revised February 10, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies 1000 Rio Brazos Rd., Aziec, NM \$7410 Santa Fe, NM 87504-2088 Fee Lease - 5 Copies District IV PO Box 2088, Senta Fe, NM 87504-2088 __ AMENDED REPORT APPLICATION FOR PERMIT TO DRILL GBACK, OR ADD A ZONE 1 OGRID Number McKay Oil Corporation 014424 P.O. Box 2014 API Number Roswell, New Mexico 30 - 0 OS - 6338 Property Code Property Sign Wall No. New MExico "CS" "B" State 2 ⁷ Surface Location L'L or lot mo. Towaship Renge Feet from the North/South Ene East/West East County **7**S 22E FSL FEL Chaves 1980' 690 Proposed Bottom Hole Location If Different From Surface UL or lot so. Section Township Feet from the North/South fine Foot from the County

" Work Type Code	12 Weil Type Code	13 Cable/Rotary	" Lesse Type Code	14 Ground Level Elevation
N	G	Rotary	S	4221
" Multiple	17 Proposed Depth	11 Formation	1º Costractor	M Spud Date
No	3,200'	Abo		

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
121"	8-5/8"	23# X-42	950 +	750+	surface
7-7/8"	4111	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 mae. Describe the blowout prevention program, if any. Use additional sheets if necessary.

McKay Oil Corporation proposes to drill and test the Abo Formation, approximately 950' of surface casing will be set and cemented to surface. If commercial, $4\frac{1}{2}$ " production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

NOTIFY OCD SPUD & TIME TO WITNESS CEMEMTING OF 8 5/8" CASING STRING

14 Proposed Pool 2

"I bereby certify that the information given above is true and complete to the b of my knowledge and belief. Signature: Printed name:	Approved by: CRISHINAL SONED BY THE W. SUM					
Bill J. Milstead	Title:					
Tide: Vice President	Approval Date: 98 25 Zill Expiration Date: 98 25 2002					
Date: Phone: 505-623-4735	Conditions of Approval: Attached C					

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised August 15, 200 Submit to Appropriate District Office State Lease - 4 Copie: Fee Lease - 3 Copies

DISTRICT II 811 South First, Artesia, NM 88210

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

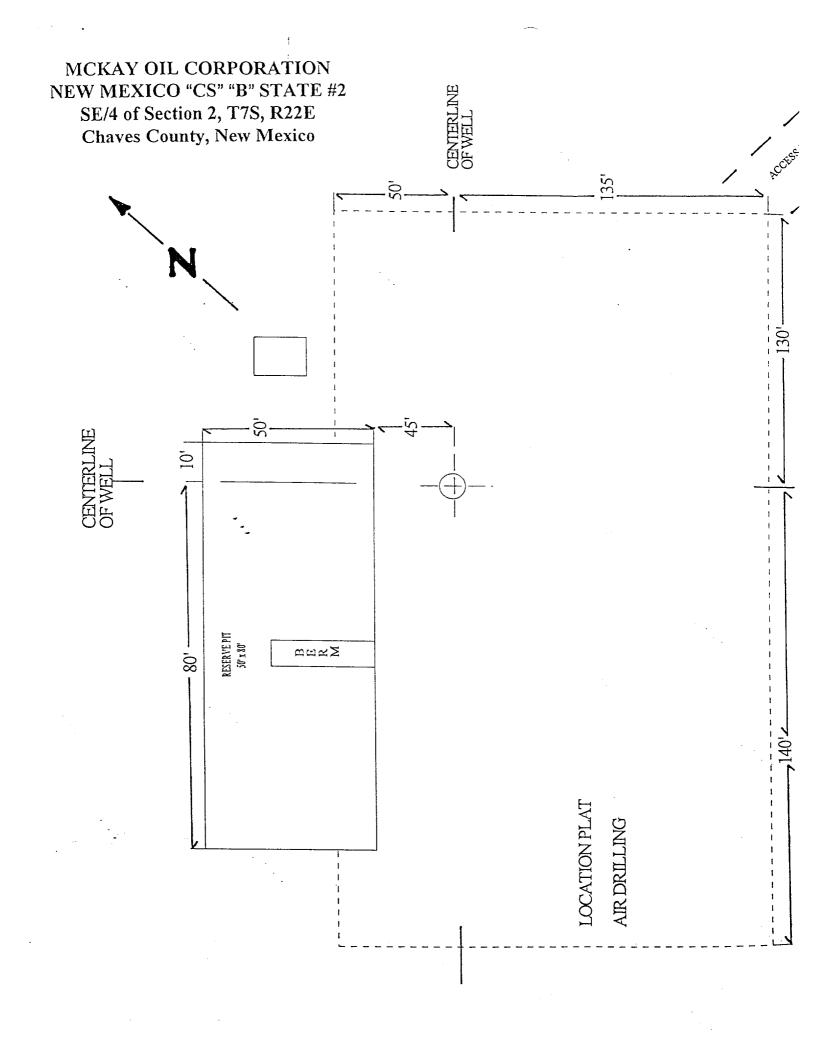
OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

DISTRICT IV 1220 S. St. Francis I	Dr., Santa Pe,	NM 87505		Santa	a Fe, I	New Me	xico 87505		□ AMENDE	D REPOR	
		7	WELL LO	CATION	AND	ACREA	GE DEDICAT	ION PLAT			
API Number			Pool Code			Pool Name					
Property Code			Property Name					· · · · · · · · · · · · · · · · · · ·	Well Number		
			CS" "B"	STATE		rator Nam			2		
OGRID N	McKA	OIL C	ORPORA		Elevation 4221						
					Surfe	ce Loc	ation	-			
UL or lot No.	Section 2	Township 7 S	Range 22 E	Lot Idn	1	om the	North/South line	Feet from the	East/West line	County	
L		/ 3	<u> </u>	<u> </u>	198		SOUTH	690	EAST	CHAVE	
177 on 1-4 No	1 0	T=					rent From Su				
UL or lot No.	Section	Township	Range	Lot Idn	Feet fr	om the	North/South line	Feet from the	East/West line	County	
Dedicated Acre	s Joint o	or Infill Co	nsolidation	Code Or	der No.			1	L	<u> </u>	
160											
NO ALL	OWABLE V	VILL BE AS	SSIGNED	TO THIS	COMPLI	ETION U	JNTIL ALL INTE APPROVED BY	RESTS HAVE B	EEN CONSOLID	ATED	
			- CIA	TORKO OI	VII IIAC	DEEM	AFFROVED BI	THE DIVISION			
								OPERATO	OR CERTIFICA	TION	
									by certify that the i	-	
								1 1	uledge and belief.		
LOT 4 40.55 ACRES		LOT 3 40.58 ACR						100	0 000 mil Al		
-70.00 ACKES				10.00	Acres		40.03 ACRES	Signature	4,1100	Zux	
	· · · · · · · · · · · · · · · · · · ·							Bill	Milsta	AL	
		,			, `			Printed Nam	PRESIDE	KL.	
		-						Title	TRESIDE	<u> </u>	
1								Date	22-0/	· · · · · · · · · · · · · · · · · · ·	
N.	. /	10 22 23 24 No. 190 RECEIV	25262						OR CERTIFICA	TION	
		A	—— ———————————————————————————————————	\					y that the well locat		
	516171879	. KN M	g', 7	NM "	CS" STAT	E #2		11	25 plotted from field		
	217	RECEIV	ED	닯				11	made by me or und I that the same is t		
	150	ACO AR	TESIA	/ [/	\odot	1980'	690'-	correct to the	best of my belief.		



Certificate No-Too WAGENER ENGINEERING 1410 N. MISSOURI AVE. ROSWELL, NM 88201 505-823-8382



MCKAY OIL CORPORATION NEW MEXICO "CS" "B" STATE #2 SE/4 of Section 2, T7S, R22E Chaves County, New Mexico

EXHIBIT "B"

