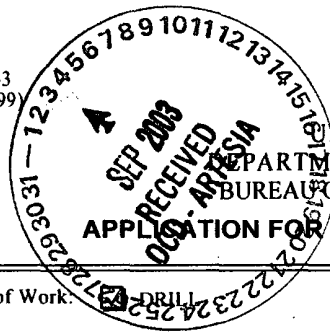


N.M. Oil Cons. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-8431
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator McClellan Oil Corporation		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 730 Roswell, NM 88202		8. Lease Name and Well No. Ross Federal, Well No. 4
3b. Phone No. (include area code) (505) 622-3200		9. API Well No. 30-005-63604
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1250' FNL & 990' FEL At proposed prod. zone same		10. Field and Pool, or Exploratory Undesignated Foor Ranch
14. Distance in miles and direction from nearest town or post office* 15. road miles northeast of Roswell, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 7-T10S-R26E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'	16. No. of Acres in lease 1514.68	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 4388''	19. Proposed Depth 6000'	20. BLM/BIA Bond No. on file NM-2301
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3771' GL	22. Approximate date work will start* September 15, 2003	23. Estimated duration 3 - 4 weeks
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>George R. Smith</i>	Name (Printed/Typed) George R. Smith	Date 08/12/03
Title Agent for McClellan Oil Corp.		
Approved by (Signature) <i>JOSE S.G. ARMANDO A. LOPEZ</i>	Name (Printed/Typed)	Date SEP 02 2003
Title Acting Assistant Field Manager, Lands And Minerals		
Office ROSWELL FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Lease Responsibility Statement: McClellan Oil Corporation accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof.*George R. Smith*
George R. Smith, agent

APPROVED FOR 1 YEAR

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

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Branos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Undesignated Floor Ranch	
4 Property Code		5 Property Name Ross Fed Com			6 Well Number #4
7 OGRID No.		8 Operator Name McClellan Oil Corporation			9 Elevation 3771

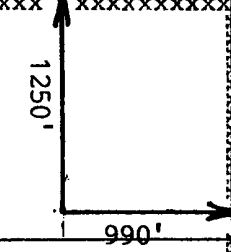
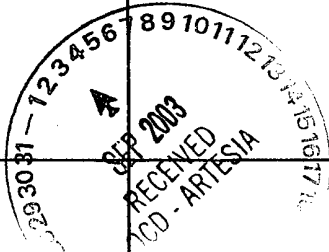
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A H	7	10S	26E		1250	FNL	990	FEL	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 320		13 Joint or Infill		14 Consolidation Code Com		15 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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
					Signature <i>Mark McClellan</i> Printed Name <i>Mark McClellan</i> Title <i>President</i> Date <i>7/17/03</i>	
					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 is true and correct to the best of my belief.	
					Date of Survey Signature and Seal of Professional Surveyor <i>Bill James McFarland</i> <i>7/16/03</i> Certificate Number <i>8675</i>	

**APPLICATION FOR DRILLING
MCCLELLAN OIL CORPORATION**
Ross Federal Com., Well No. 4
1250' FNL & 990' FEL, Sec. 7-T10S-R26E
Chaves County, New Mexico
Lease No.: NM-8431
(Exploratory Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, McClellan Oil Corporation submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	848'	Penn Lime	5,448'
Glorieta	1,973'	Strawn	5,584'
Tubb	3,465'	Ordovician	5,687'
Abo	4,207'	Granite Wash	5,887'
Wolfcamp	4,883'	Total Depth	6,000'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water in the Triassic between 80' - 230'.
Oil: None expected.
Gas: Possible in the Wolfcamp or Penn.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24.0#	J-55	ST&C	,900'	Circ. 500 sx "C"
7 7/8"	5 1/2"	15.5#	J-55	ST&C	6,000'	500 sx "C"

5. Proposed Control Equipment: See Exhibit "E":

BOP Program:

A 10" 3000 psi wp Shaffer, Type E, double ram BOP, will be installed on the 8 5/8" casing and used as a 2000 psi wp system. Casing and BOP will be tested before drilling out with 7 7/8". Request waiver to test to a maximum of 1000 psi wp with a rig pump.

6. **Mud Program:**

		MUD WEIGHT	VIS.	W/L CONTROL
0' - 900':	Fresh water with native mud:	9.8 - 10.0 ppg	28 - 30	No W/L control
900' - 3,960':	Use 10# brine mud to top of Abo:	9.8 - 10.0 ppg	28 - 30	No W/L control
3,960' - 6,000':	Brine mud w/6 % diesel:	10.0 - 10.2 ppg	40 - 45	W/L control 12 cc+/-

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock,.

8. **Testing, Logging, and Coring Program:**

Drill Stem Tests: None planned.

Logging: T.D. to 900': Schlumberger Litho Density Compensated Neutron/NGT, Azimuthal Laterlog
Micro-CFL/NGT, Borehole Compensated Sonic Natural GR logs
900' to surface: GR/Neutron

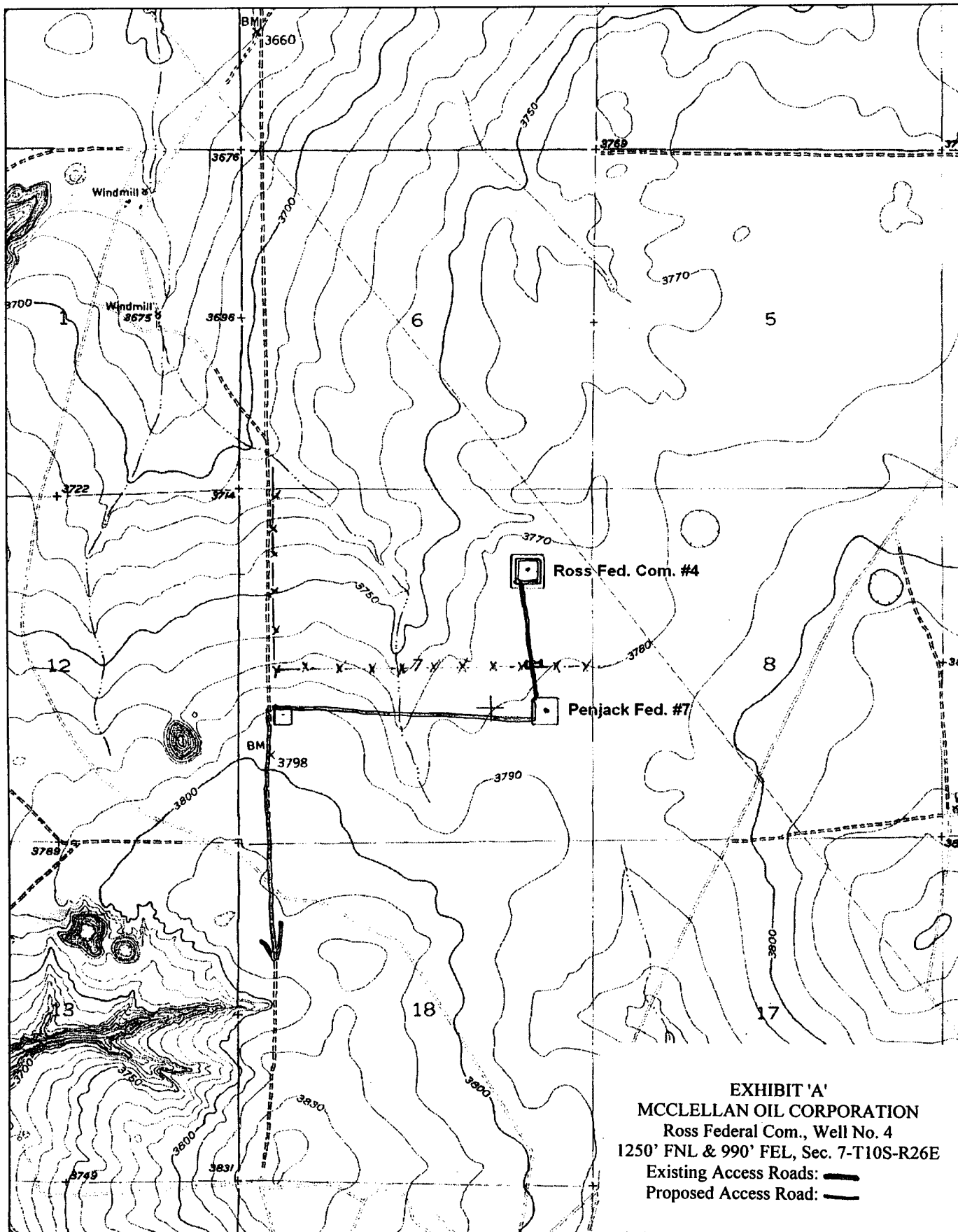
Coring: None planned.

McCLELLAN OIL CORPORATION

Ross Federal Com., Well No. 4

Page 2

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight. Estimated surface pressure = 1320 psi (evac. hole) with BH temperature of 120°.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: September 15, 2003.
Anticipated completion of drilling operations: Approx. 3 - 4 weeks.



DeLORME

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www.delorme.com

Scale 1 : 24,000
1" = 2000 ft



TH
MN
9.5°E

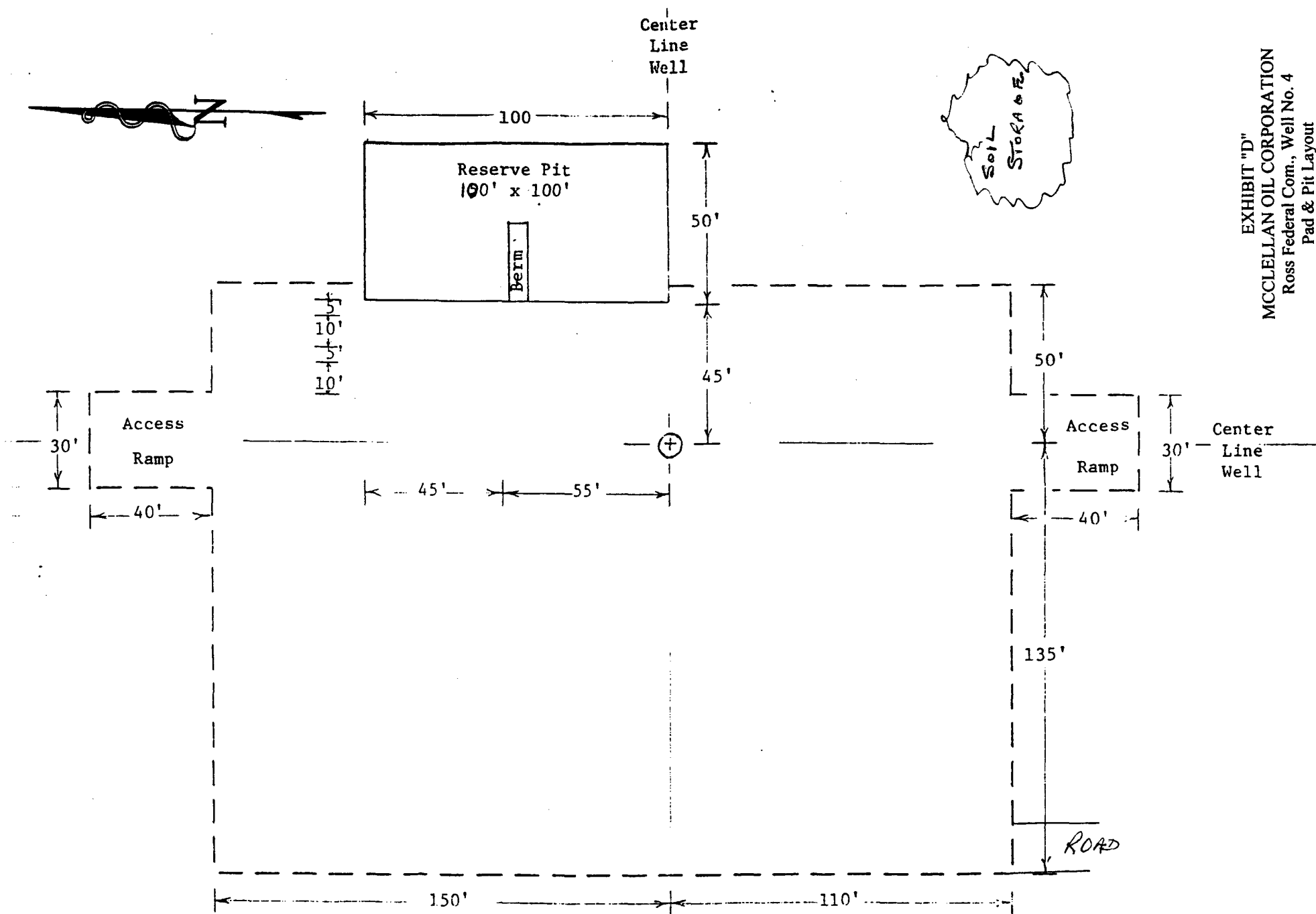


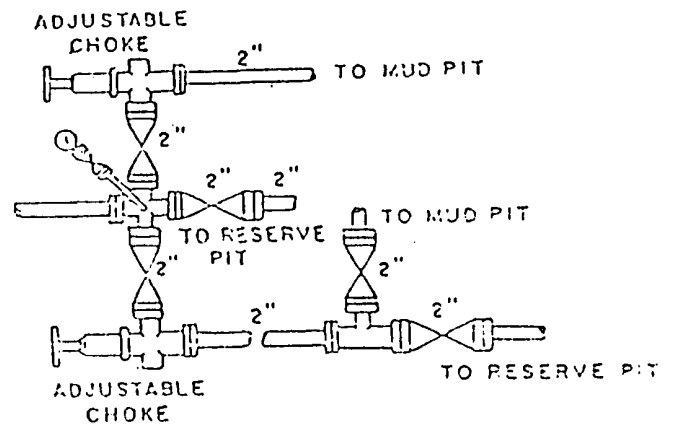
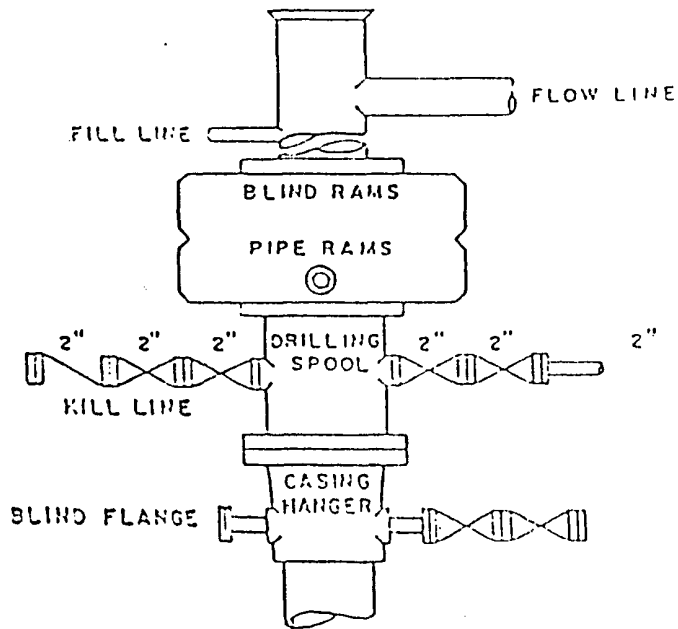
EXHIBIT "D"
 MCCLELLAN OIL CORPORATION
 Ross Federal Com., Well No. 4
 Pad & Pit Layout

UNITED DRILLING, INC.

LOCATION PLAT

RIG 21

Scale: 1"=40'



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

EXHIBIT "E"
MCCLELLAN OIL CORPORATION
Ross Federal Com., Well No. 4
BOP Specifications