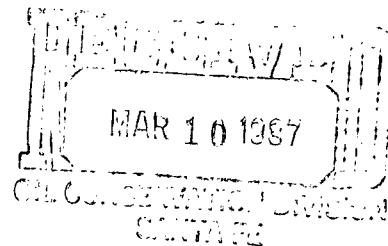




McClellan Oil Corporation



March 5, 1987

William J. LeMay - Director
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

RE: McClellan - Harris Fed. No. 1
NE/NW of Sec. 21-T15S-R29E

Dear Mr. LeMay:

McClellan Oil Corporation is requesting that the Harris Fed. No. 1 proration unit be dedicated to the West half of Section 21, consisting of 320 acres. This Queen gas well is located in the Southeast Chaves Queen Gas Associated Pool which calls for 320 acre spacing for gas wells.

Your approval of our request will be greatly appreciated.

I hope everything is going well in your new position as Director of the Oil Conservation Division.

Sincerely,


Mark McClellan
Geologist

MM:gld

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Mc GLELLAN OIL CORP.			Lease McClellan Harris Federal			Well No. 1
Tract Letter C	Section 21	Township 15 SOUTH	Range 29 EAST	County CHAVES		
Actual Footage Location of Well: 330 feet from the NORTH line and 2310 feet from the WEST line						
Ground Level Elev. 3823.3	Producing Formation Queen Sand		Pool SE Chaves Queen Gas		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Mark McClellan

Name
Mark McClellan

Position
Geologist

Company
McClellan Oil Corp.

Date
Dec. 17, 1982

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
12/14/82

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No.
JOHN W. WEST N.M. #676



R 30 E

1. 500 1229 MIDLAND TX 79704
 2. 15-015 (19-5) 682-1603
 3. 57-4650
 4. 1-24 in 1945

CO₂ V
Wildc
Local
Aband
Comp
Comp
Dry &
Eco C

(GENERAL RULES AND REGULATIONS - ASSOCIATED
OIL AND GAS POOLS - Cont'd.)

TOCITO DOME-PENNSYLVANIAN "D" ASSOCIATED POOL
San Juan County, New Mexico

Order No. R-5353, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Associated Oil and Gas Pools in Northwest and Southeast New Mexico, for the Tocito Dome-Pennsylvanian "D" Associated Pool, San Juan County, New Mexico, February 1, 1977.

(Order No. R-5353 supersedes Order No. R-2758, creating and adopting temporary rules for the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico, August 3, 1964, as amended by Order No. R-2758-A, September 30, 1964, Order No. R-2758-B, April 1, 1965, and Order No. R-2758-C, August 16, 1965.)

RULE 2. (a) A standard oil proration unit shall be 160 acres. A standard gas proration unit shall be 320 acres.

RULE 2. (b) Oil wells shall be located within 150 feet of the center of the quarter-quarter section.

Gas wells shall be located within 150 feet of the center of the quarter-quarter section.

RULE 5. (a) A well shall be classified as a gas well if it has a gas-liquid ratio of 20,000 or more cubic feet of gas per barrel of liquid hydrocarbons. A well shall be classified as an oil well if it has a gas-liquid ratio of less than 20,000 cubic feet of gas per barrel of liquid hydrocarbons.

(General Pool Rules also apply unless in conflict with these Special Pool Rules.)

BLUITT-SAN ANDRES ASSOCIATED POOL
Roosevelt County, New Mexico

Order No. R-5353, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Associated Oil and Gas Pools in Northwest and Southeast New Mexico, for the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, February 1, 1977.

(Order No. R-5353 supersedes Order No. R-1670-I, abolishing the Bluit-San Andres Gas and East Bluit-San Andres Oil Pools and creating and adopting operating rules for the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, July 23, 1969, as amended by Order No. R-4367, August 30, 1972, and Order No. R-4583, August 1, 1973.)

RULE 2. (a) A standard oil proration unit shall be 80 acres. A standard gas proration unit shall be 320 acres.

RULE 2. (b) Oil wells shall be located within 150 feet of the center of the quarter-quarter section.

Gas wells shall be located not closer than 990 feet to the quarter section line nor closer than 330 feet to any quarter-quarter section line.

(General Pool Rules also apply unless in conflict with these Special Pool Rules.)

SOUTHEAST CHAVES QUEEN GAS AREA ASSOCIATED POOL
Chaves County, New Mexico

Order No. R-5353, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Associated Oil and Gas Pools in Northwest and Southeast New Mexico, for the Southeast Chaves Queen Gas Area Associated Pool, Chaves County, New Mexico, February 1, 1977.

(Order No. R-5353 supersedes Order No. R-4435, creating and adopting temporary rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, December 1, 1972, as amended by Order No. R-4583, August 1, 1973, Order No. R-4435-A, December 3, 1974, and Order No. R-4435-B, July 6, 1976.)

RULE 2. (a) A standard oil proration unit shall be 40 acres. A standard gas proration unit shall be 320 acres.

(General Pool Rules also apply unless in conflict with these Special Pool Rules.)

SOUTH DAGGER DRAW-UPPER PENNSYLVANIAN
ASSOCIATED POOL
Eddy County, New Mexico

Order No. R-5353, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Associated Oil and Gas Pools in Northwest and Southeast New Mexico, for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico, February 1, 1977.

(Order No. R-5353 supersedes Order No. R-4637, creating and adopting temporary rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico, October 1, 1973, as amended by Order No. R-4637-A, October 21, 1975.)

Order No. R-5353-A, March 15, 1977, makes permanent the special rules adopted in Order No. R-5353.

RULE 2. (a) A standard oil proration unit shall be 320 acres. A standard gas proration unit shall be 320 acres.

RULE 2. (b) All oil wells and gas wells shall be located not closer than 660 feet to the nearest side boundary nor closer than 1980 feet to the nearest end boundary of the spacing unit nor closer than 330 feet to any subdivision inner boundary.

RULE 6. The limiting gas-oil ratio shall be 8000 cubic feet of gas for each barrel of oil produced.

RULE 22. The special depth bracket allowable for an oil well on a 320-acre tract shall be 267 barrels of oil per day.

(General Pool Rules also apply unless in conflict with these Special Pool Rules.)



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

February 3, 1983

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

McClellan Oil Corporation
P. O. Drawer 730
Roswell, New Mexico 88202

Re: McClellan - Harris Federal
#1-C-21-15-29
Und. S. Lucky Lake-Queen Pool

Gentlemen:

In order to change the above captioned well from an oil well to a gas well, you will need to submit a C-102, Surveyors Plat, dedicating 160 acres to this well.

Due to the location of the well, as a gas well, it is an un-orthodox location, therefore you will have to apply through the Santa Fe Office for a Non-Standard Location approval.

When submitting your C-104, Request for Allowable, please send us the original and 2 copies of the Deviation Survey, signed and notarized.

If this office can be of any assistance, please call.

Very truly yours,

A handwritten signature in cursive script, reading "Leslie A. Clements".

Leslie A. Clements
Supervisor, District II

LAC:fc

cc: Joe Ramey



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE
February 25, 1983

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

McClellan Oil Corporation
P.O. Drawer 730
Roswell, New Mexico 88201

Re: McClellan Harris Federal
#1-C-21-15-29
SE Chaves Queen Gas Assoc. Pool

Gentlemen:

In our letter to you dated February 3, 1983, we mistakenly asked you for a Surveyors Plat dedicating 160 acres to the above captioned well, since it is a gas well instead of an oil well.

As a gas well it will be in the Southeast Chaves Queen Gas Associated Pool. There are special rules for wells in an associated pool, and we will need a 320 acre dedication plat for this well.

Inclosed is a copy of the special rules for your information.

If you have any questions, please feel free to call this office.

Very truly yours,

Leslie A. Clements

LAC/pw

Enclosure



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 16, 1983

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

McClellan Oil Corporation
Suite 1000 Security Bank Bldg.
Drawer 730
Roswell, New Mexico 88202

Attention: Mark McClellan

Administrative Order NSP-1356 (L)

Gentlemen:

Reference is made to your application for a 160-acre non-standard proration unit consisting of the following acreage in the Southeast Chaves Queen Gas Area:

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 21: NW/4

It is my understanding that this unit is to be dedicated to your McClellan Harris Federal Well No. 1 located at an unorthodox location 330 feet from the North line and 2310 feet from the West line of said Section 21, hereby approved under provisions of Rule 2(b) of Order No. R-5353.

By authority granted me under the provisions of Rule 4(b) of Order No. R-5353, the above non-standard proration unit is hereby approved.

Sincerely,


JOE D. RAMEY,
Director

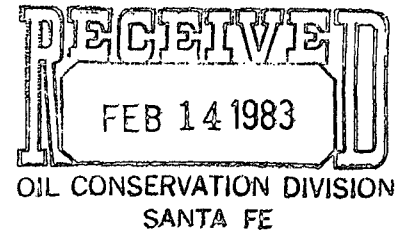
JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs
Minerals Management Service - Artesia



McClellan Oil Corporation

February 11, 1983



Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: Harris Federal No. 1
Lease #NM-16336
Section 21-T15S-R29E
330' FNL & 2310' FWL
Chaves County, New Mexico

Dear Mr. Ramey:

McClellan Oil Corporation would appreciate an administrative approval for a non-standard Queen gas well location, as provided for under NMOCD Rule 104F.

The Harris Federal No. 1 was permitted as a 40 acre Queen oil well. We anticipated oil production as is evidenced by the oil production to the north and east as shown on the enclosed lease map. We did not anticipate gas production only and therefore, did not permit the well as such. Thus, we are requesting administrative approval for this non-standard location.

The enclosed lease map shows the offset operators who have been notified by certified mail of our request.

We will appreciate your expeditious approval and issuance of the administrative order.

Sincerely yours,

Mark McClellan

Mark McClellan
Geologist

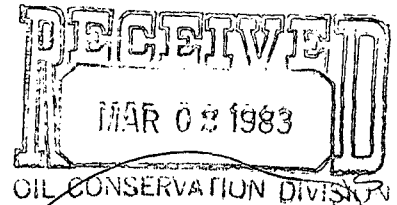
MM/ks

/Enclosures

cc: S.T. Bracken, Reed & Stevens, Cities Service, Burke Royalty



McClellan Oil Corporation



February 26, 1983

Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: McClellan Harris Fed. No. 1
Lease # NM-16336
Section 21-T15S-R29E
330' FNL & 2310' FWL
Chaves County, N.M.

*Southeast Chaves Queen
Gas Area*

*160-acre NSP
NW/4 Sec 21*

Dear Mr. Ramey:

McClellan Oil Corporation would appreciate an administrative approval for a non standard Queen gas well unit, as provided for under NMOCD Rule 104D.

The McClellan Harris Fed. No. 1 was permitted as a Queen oil well but was completed as a Queen gas well. We are therefore requesting that 160 acres be dedicated to the McClellan Harris Fed. No. 1 well.

The enclosed lease map shows the offset operators who have been notified by certified mail of our request.

We will appreciate your expeditious approval and issuance of the administrative order.

Sincerely yours,

Mark McClellan

Mark McClellan
Geologist

/Enclosures

cc S. T. Bracken, Read & Stevens, Cities Service, Burke Royalty, Coquina,
Dalport, Yates Petroleum

[illegible]

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT



All distances must be from the outer boundaries of the Section

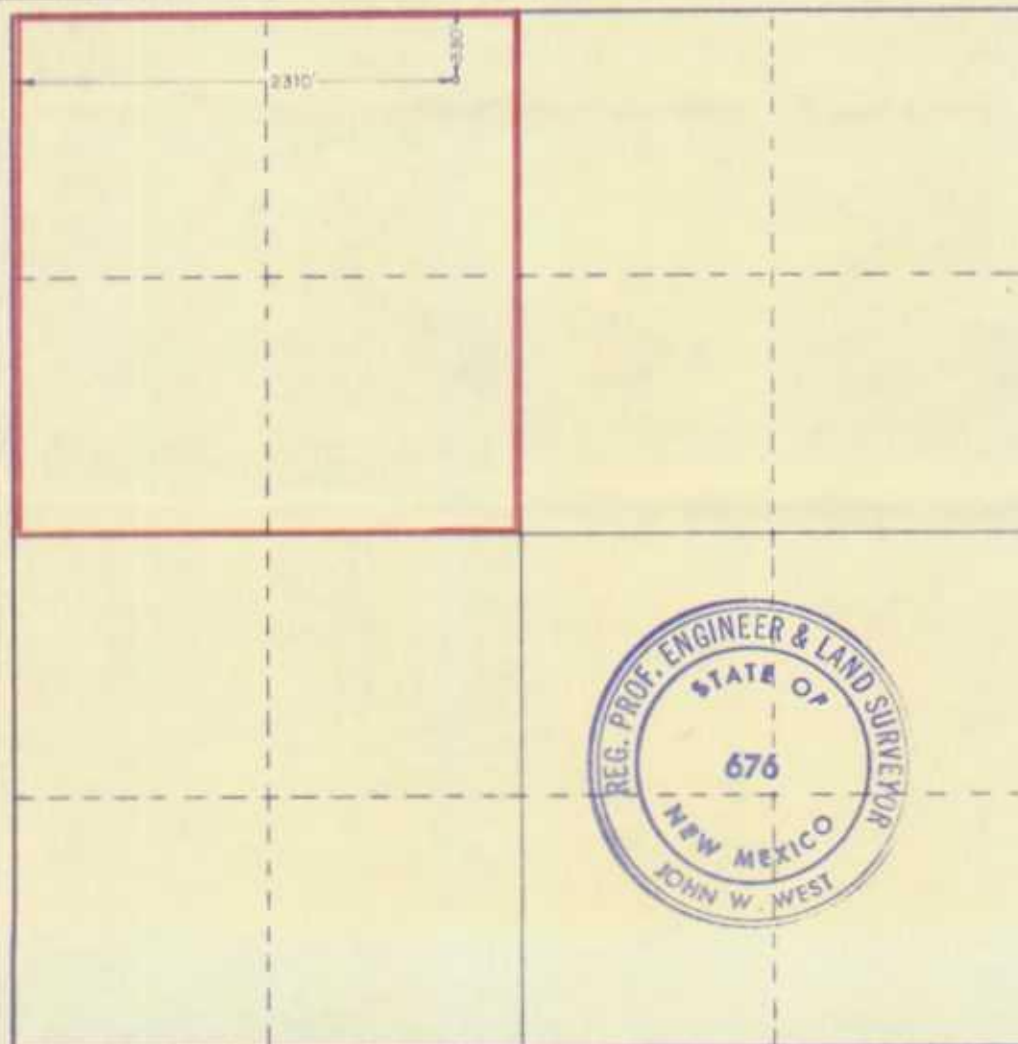
Operator Mc CLELLAN OIL CORP.			Lessee McClellan Harris Federal		
Unit Letter C	Section 21	Township 15 SOUTH	Range 29 EAST	County SANTA FE	
Actual Footage Location of Well: 330 feet from the NORTH line and 2310 feet from the WEST line					
Ground Level Elev. 3823.3	Producing Formation Queen Sand		Pool Lucky Lake		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes;" type of consolidation _____

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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Mark McClellan

Name

Mark McClellan

Position

Geologist

Company

McClellan Oil Corp.

Date

Dec. 17, 1982

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

12/14/82

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No.

JOHN W. WEST N.M. #676

0 330 660 990 1320 1650 1980 2310 2640 2970 3300

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

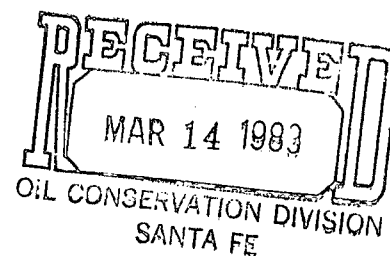
Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

March 10, 1983



Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: Harris Federal #1
Lease #NM16336
Sec.21-T15S-R29E
330' FNL & 2310' FWL
Chaves County, New Mexico

Dear Mr. Ramey:

Read & Stevens, Inc. believes that the production from the captioned well will infringe on the production from the three oil wells in the south half of Section 16-T15S-R29E.

The attached structure map, drawn before the well was drilled, clearly shows that the location is in the gas cap of the reservoir. The production from this well is dry gas and will deplete needed reservoir pressure immediately above the oil column. Further data will be provided upon request.

We oppose the administrative approval of this non-standard Queen gas well location.

Sincerely yours,

A handwritten signature in cursive script that reads "David S. Harle".

David S. Harle
Geologist

DSH:ema

cc: Jack McClellan
McClellan Oil Corp.

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



March 19, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

McClellan Oil Corporation
Drawer 730
Roswell, New Mexico 88202

Attn: Mark McClellan

Re: Harris Federal No. 1 Well
Section 21, T-15S, R-29E,
Chaves County, New Mexico

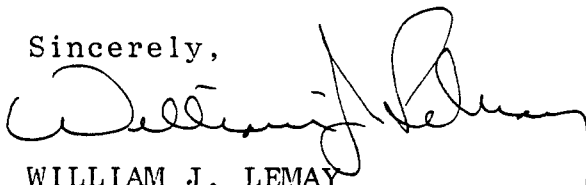
Dear Sir:

Reference is made to your request dated March 5, 1987 to cancel Division Order No. NSP-1356. This order authorized a 160-acre non-standard proration unit consisting of the NW/4 of Section 21, Township 15 South, Range 29 East, Chaves County, New Mexico, to be dedicated to the above described well in the Southeast Chaves Queen Associated Pool. The order further authorized a non-standard gas well location for the well. It is our understanding that you now wish to dedicate a 320-acre standard gas proration unit consisting of the W/2 of said Section 21.

That portion of Division Order No. NSP-1356 authorizing a 160-acre non-standard gas proration unit for the above described well is hereby cancelled. The portion of said order authorizing a non-standard gas well location for the well shall remain in full force and effect.

Division Form C-102, Acreage Dedication Plat, shall be filed with the Artesia office of the Division showing the 320-acre standard unit to be dedicated to the well.

Sincerely,

A handwritten signature in cursive script, appearing to read 'William J. Lemay'. The signature is written in dark ink and is positioned above the typed name and title.

WILLIAM J. LEMAY
Director

WJL/DRC/et

xc: Oil Conservation Division - Artesia
File NSP-1356



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

March 15, 1983

McClellan Oil Corporation
Drawer 730
Roswell, New Mexico 88201

Attention: Mark McClellan

Re: Application for Unorthodox Location
Harris Federal #1
Southeast Chaves/Queen Gas Area
Chaves County, New Mexico

Dear Mr. McClellan:

Because of an objection filed by an offset operator we are unable to approve the above-captioned unorthodox location administratively.

If you wish this application set for hearing, please contact Ms. Florene Davidson at (505) 827-5803.

Sincerely,

R. L. STAMETS
Technical Support Chief

RLS/jc

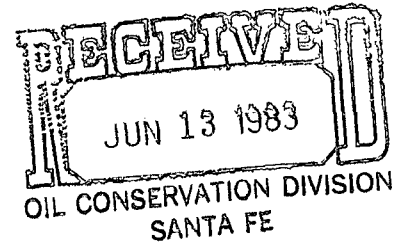
CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

Read & Stevens, Inc.

*Oil Producers
P. O. Box 1518
Roswell, New Mexico 88201*

June 9, 1983



Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87503

Re: #1 Harris Federal
Lease #NM16336
330' FNL & 2310' FWL
Sec. 21-T15S-R29E
Chaves Co., NM

Dear Mr. Ramey,

After further review of the production from this well, we believe the production from the three oil wells in the South half of Section 16-T15S-R29E will not be adversely affected. Therefore, we withdraw our opposition to approval of this Non-Standard Queen gas well location.

Sincerely,

Bruce Stubbs
Drilling & Production Manager

BS/sr

Copies: Jack McClellan - McClellan Oil Corp.
Charles B. Read
Norman L. Stevens, Jr.
Joe Wigley
Dave Harle