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RECEIVED

October 30, 2005

NOV - 3 2005

OIL CONSERVATION
DIVISION

Mr. Mike Stonger
Oil Conservation Division
1220 S St. Francis Drive
Santa Fe, NM 87505

Re: McQuadrangle LLC, Midnight Matador
Fed. No. 3 Well, Non-standard Location,
1150' FNL & 2310' FWL Sec. 35, T17S,
R27E, Eddy Co., New Mexico.

Dear Sir:

McQuadrangle LLC would like to obtain administrative approval to drill captioned well at the above location. The reason for moving well location to the South is there are two T&A wells and one dry hole located in the vicinity of captioned well. These wells are located as follows: 990' FNL & 2310' FWL, 990' FNL & 2200' FWL, and 990' FNL & 2110' FWL of Section 35. Above wells makes it impossible to drill a well 990' FNL. The other reason is that the company only owns rights down to a depth of 2390' and the sub-surface structure dips to the Northeast. If well was drilled North of 990' FNL it may not penetrate all of the Upper San Andres formation.

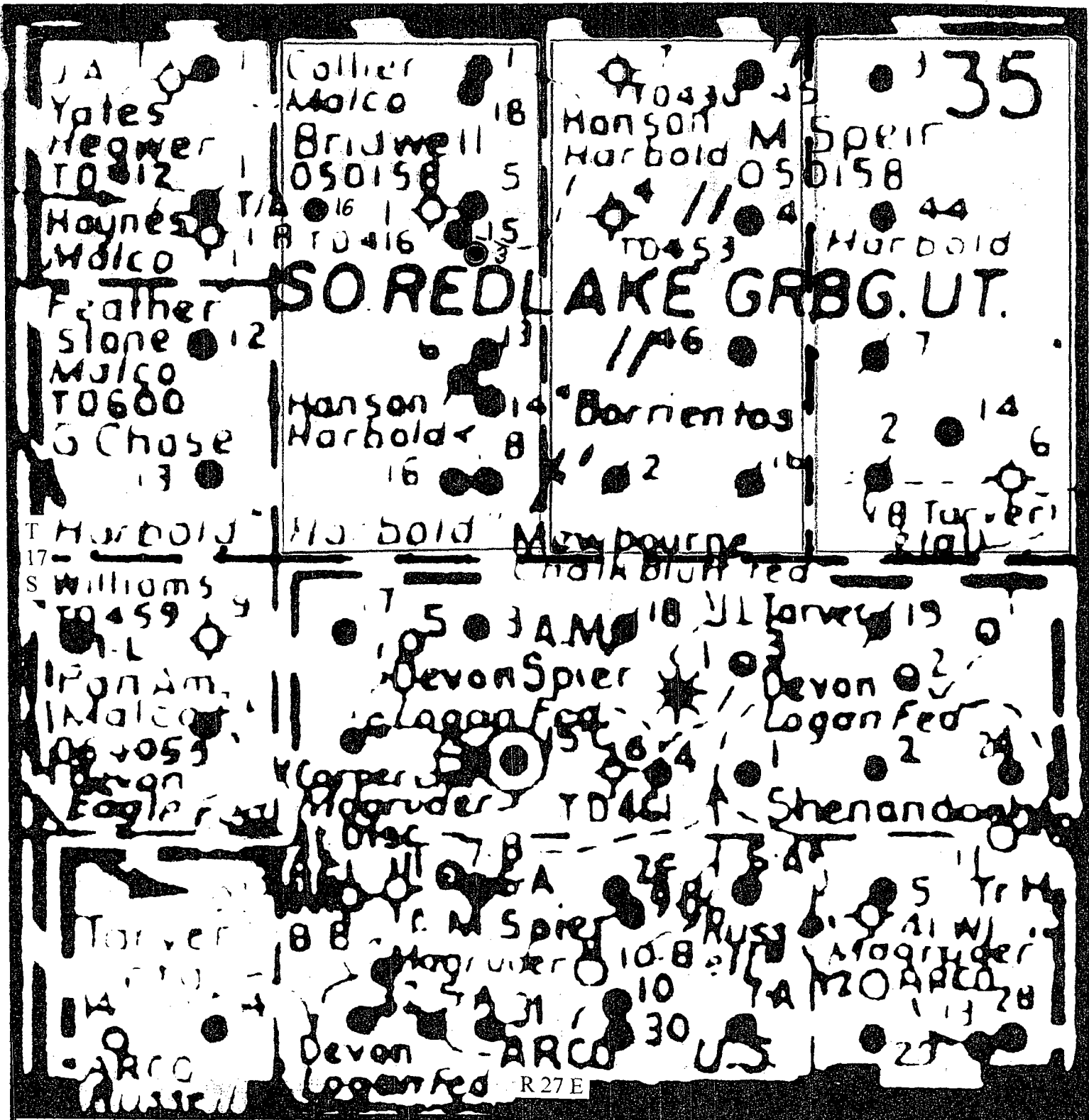
The 40 acre proration units to the South, Southeast, and East of proposed well are all owned by McQuadrangle. Ownership in the Upper San Andres for the West and Southwest proration units could not be determined. Consequently, no notification was sent out. These proration units should not be effected as they are 990 ft. from the proposed well. Attached is a plat showing proposed well and acreage owned by McQuadrangle.

If you have any questions or need additional information, please contact me at the above number.

Sincerely
Charles C. Joy
Charles C. Joy

CCJ/eg

8:15 am
Charles Joy
called to
check on the
status of this
application.



SOUTH REDLAKE SAN ANDRES FIELD
EDDY COUNTY, NEW MEXICO

- Proposed Well
- ▬ McQuadrangle LC- 050158
- ▬ McQuadrangle LC- 055561

Scale 1" = 676.92 ft.
Date: October 28, 2005
By: Charles C. Joy