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New Mexico Oil Conservation Commission P. O. Box 2088

Santa Fe, New Mexico 87501

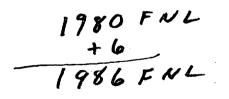
Attn: Mr. A. L. Porter, Jr.

Re: Hanagan Petroleum Corporation #1-Y Catclaw Draw Unit Section 26, T-21-S, R-25-E Eddy County, New Mexico

Dear Sir:

Under administrative order NSL-483 dated January 25, 1971, the Hanagan Petroleum Corporation #1 CatClaw Draw Unit was drilled at an unorthodox location of 1980' FNL & 2310' FWL of Section 26, T-21-S, R-25-E. The #1 well was spudded with cable tools (Fred Pool contractor) on January 28, 1971. At a total depth of 296' (February 7) the contractor got a bailer stuck in the hole at 296'. In attempting to fish the bailer out, he ended up with a bailer, spear and jars in the hole, all of which he failed to retrieve. After a week of fishing without any success, it was decided to temporarily abandon the hole, skid six feet south and drill a new hole with rotary tools. We discussed our problem with Mr. Gressett of the NMOCC in Artesia, renamed the new hole the #1-Y and spudded same on February 16, 1971. The #1-Y is located in Section 26, T-21-S, R-25-E, 1986' FNL & 2310' FWL and is presently drilling at 5,000 feet.

Again we respectfully request an exception to a standard wildcat location under Rule 104F due to the necessity of junking the #1 well.



Very truly yours,

Superade

HANAGAN PETROLEUM CORPORATION

Hugh E. Hanago.

Hugh E. Hanagan Vice President

HEH:ab

cc: Mr. W. A. Gressett Artesia, New Mexico