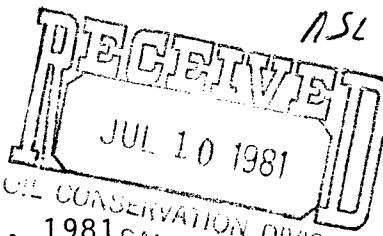




McClellan Oil Corporation



NSL - 1386

July 7, 1981

Oil Conservation Division of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

NSL Abo Gas
Rule 104 F
~~Approve when Pennzoil/waiver~~
~~comes in~~ approval

Re: McClellan Oil Corporation
No. 1 "PZ" Federal
Section 7-T9S-R26E
Chaves County, New Mexico
1250' FSL & 1650' FEL

Gentlemen:

This letter is to request an unorthodox location for the captioned test for the following reasons.

1. A 1980' FSL & 1980' FEL location places this test in a canyon where access would be difficult and expensive.
2. A 1650' FSL & 1650' FEL location places this test on a fairly steep incline and within 100' of an East-West gas pipeline owned by Transwestern Pipeline Company.

The proposed unorthodox location of 1250' FSL & 1650' FEL places this test on flat and level terrain and a safe distance from the existing pipeline.

The surface of the proposed location is owned by David McCrea who is in agreement with the requested location.

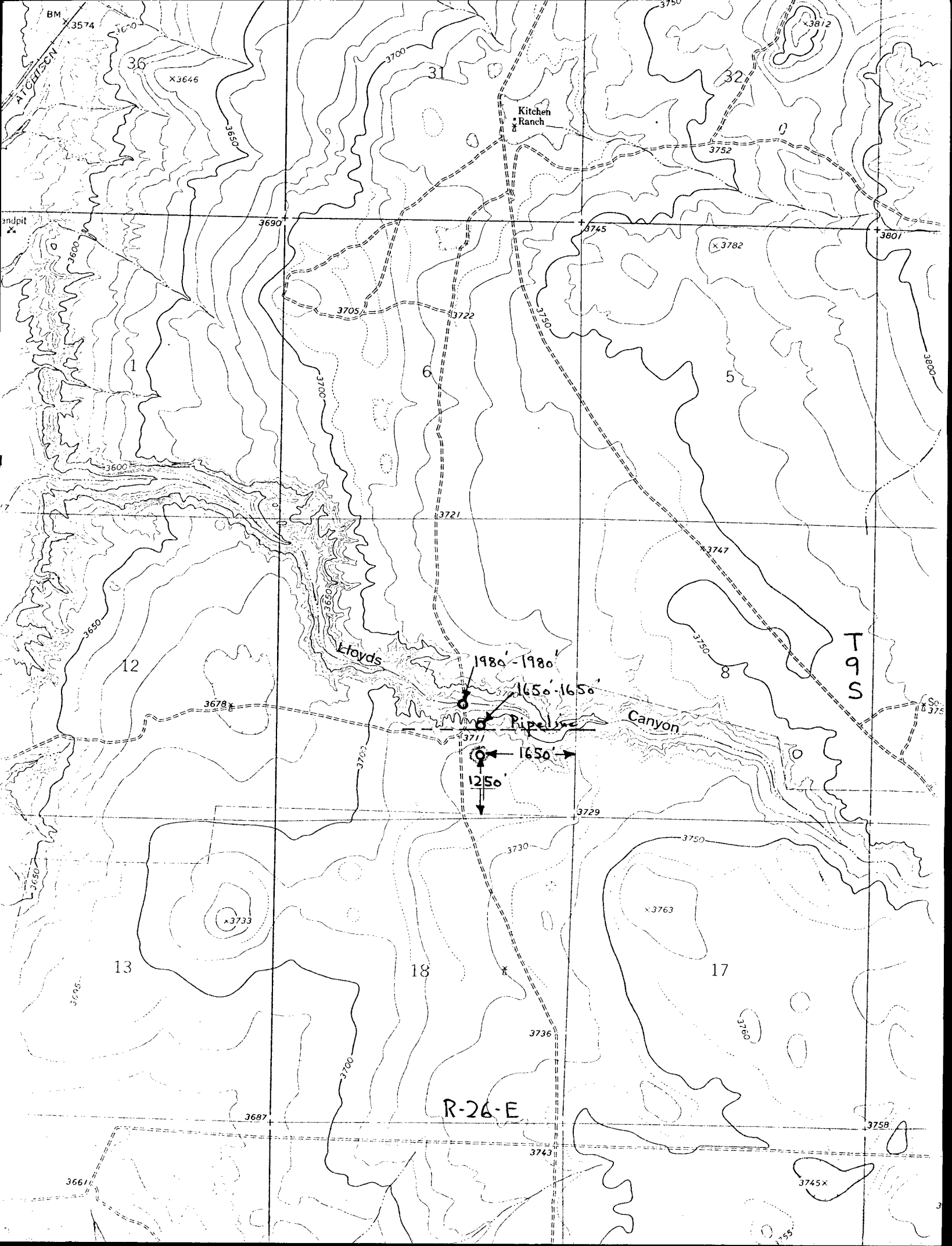
All offset acreage is owned by Pennzoil and McClellan Oil Corporation. A letter of agreement from Pennzoil will follow directly from Pennzoil as they have given their verbal approval.

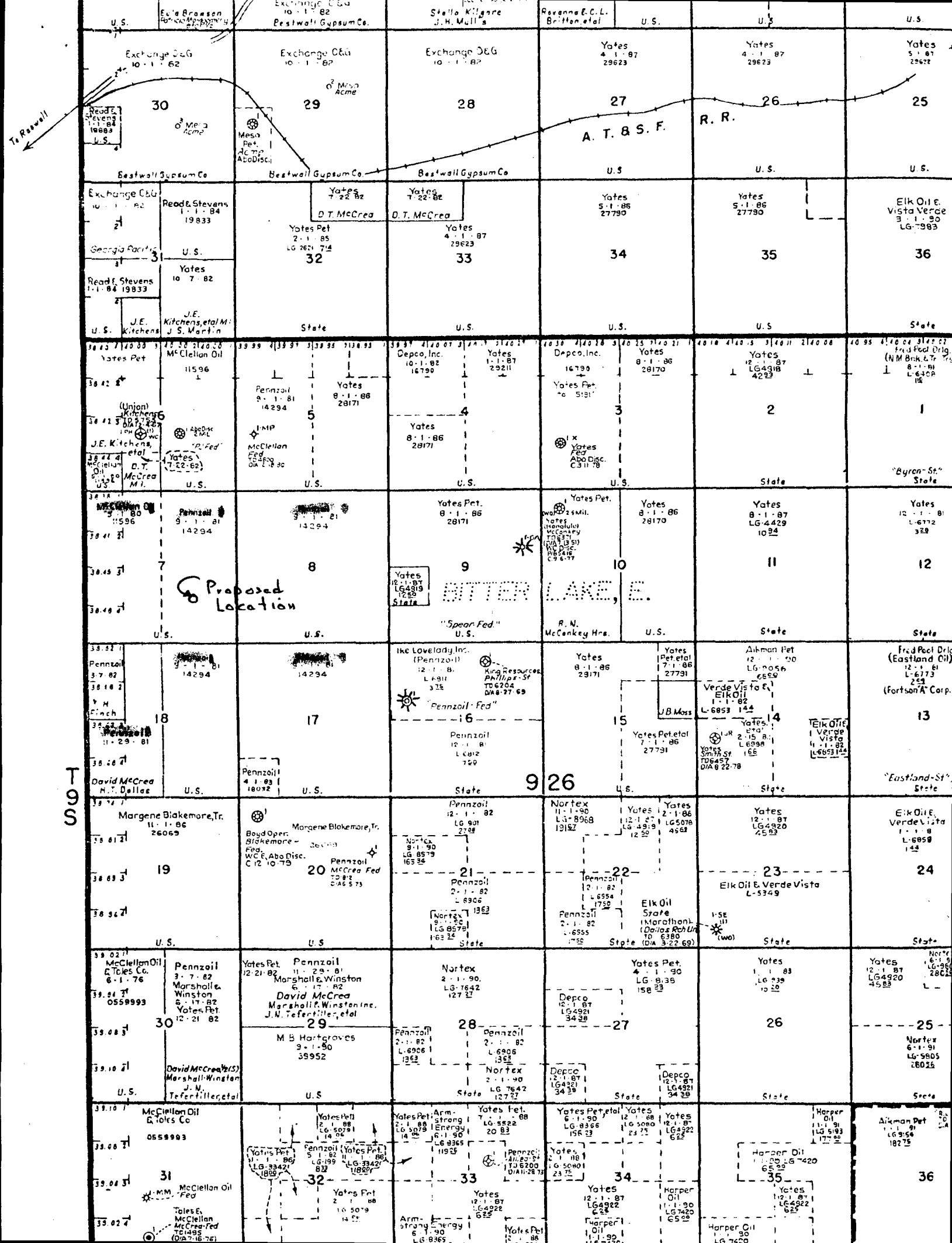
Your prompt consideration of this request will be appreciated as this is a September 1, 1981 lease.

Very truly yours,

Jack L. McClellan
President

cc: Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McClellan Oil Corporation

3. ADDRESS OF OPERATOR

Post Office Drawer 730, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

1250' FSL & 1650' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

17 miles N.E. of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1250'

16. NO. OF ACRES IN LEASE

2200

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

4700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3720' G.L.

22. APPROX. DATE WORK WILL START*

August 15, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10-3/4"	8-5/8"	28 lb.	850'	400 sx (Circ.)
7-7/8"	4-1/2"	10 1/2 lb.	4700'	300 sx

Propose to drill to approximately 4700' to test the Abo formation. If production is indicated, will set casing and attempt completion.

Estimated Geologic Tops: San Andres 800'
Glorieta 1900'
Tubb 3400'
Abo 4100'

Mud Program: Will drill with fresh water to top of Abo. Will mud-up at that point with 10 cc water loss, 50 viscosity salt base mud.

Gas on this well is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE

Operator

DATE

7/07/81

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

Operator McClellan Oil Corp.			Lease P-Z Federal			Well No. #1		
Unit Letter	Section 7	Township 9 South	Range 26 East	County Chaves				
Actual Postage Location of Well: 1650 feet from the East line and 1250 feet from the South line								
Ground Level Elev. 3720	Producing Formation Abo		Pool Wildcat			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 Division.

Section 7, T.9 S., R.26 E., N.M.P.M.

CERTIFICATION

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

Name
Jack L. McClellan
Position
President
Company
McClellan Oil Corporation
Date
July 7, 1981

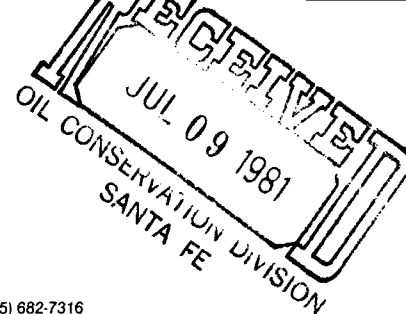
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 6, 1981
Registered Professional Engineer and/or Land Surveyor
John D. Jaquess
Certificate No. **6290**
NEW MEXICO
PROFESSIONAL ENGINEER
E.E. & L.S.

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290



MIDLAND DISTRICT: GIBRALTAR SAVINGS BUILDING • (915) 682-7316
MAILING ADDRESS: P. O. DRAWER 1828 MIDLAND, TEXAS 79702



R. A. BUTTERWORTH
District Exploration Manager

July 7, 1981

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Joe Ramey

Re: Lease #37877-00
US-NM 14294
Chaves County, New Mexico
Dallas Ranch Area

Dear Mr. Ramey:

Please be advised that Pennzoil as an off-set operator has no objection to McClellan Oil Corp's proposed unorthodox location of 1250' FSL and 1650 FSL Section 7, 9S-26E.

Very truly yours,

PENNZOIL COMPANY

R. A. Butterworth
District Exploration Manager

RAB/tdl

cc McClellan Oil Corp.
Suite 1000
Security Bank Bldg.
Roswell, New Mexico 88201