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McClellan Oil Corporation

May 1, 1989

RECEIVED

New Mexico Oil Conservation Division P.O. Box 2088

Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay

Secretary-Director

MAY - 4 1989

OIL CONSERVATION DIV.

Case 9685

Re: Non-Standard Location MM Federal Com. No. 10 330' FNL & 330' FEL Sec. 35-T9S-R25E

Chaves County, New Mexico

Dear Sir:

McClellan Oil Corporation respectfully requests an administrative approval for an non-standard location for geologic reasons.

As shown on the enclosed Abo Gross Sand Isopach Map, the preferred location of 660' FNL & 660' FEL is a poor location with less than 10' of sand and would result in a dry hole or non-commercial well. The existing location (330' FNL & 330' FEL) would encounter 15' of sand and can be expected to be a good commercial producer.

The MM Federal No. 2 is located just south, and in the same 160 acre proration unit as the MM Federal Com. No. 10 well and was drilled in 1983. This well was Plugged & Abandoned in 1986 after producing only 8050 MCFG.

McClellan Oil Corporation requests that you approve our request for a non-standard location in order to provide us an opportunity to fully develop this proration unit.

Enclosed please find a copy of the lease map showing the offset lease operator who has been notified of our request by certified mail, along with a waiver stating no objections.

Formations we expect to penetrate are the San Andres, Glorieta, Yeso and Abo.

If you have any questions or comment, please call me at (505) 622-3200.

Sincerely,

Mark McClellan Geologist

Mark M: Collan