

OPERATOR'S COPY

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
NM-0559993

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
MM Federal COM

9. WELL NO.
10

10. FIELD AND POOL, OR WILDCAT
Pecos Slope Abo

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 35-T9S-R25E

12. COUNTY OR PARISH 13. STATE
Chaves New Mexico

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK
DRILL DEEPEN PLUG BACK

D. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
McClellan Oil Corporation

3. ADDRESS OF OPERATOR
P. O. Drawer 730 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 330' FNL & 330' FEL

At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles northeast of Roswell, NM

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'

18. NO. OF ACRES IN LEASE 1872.48

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1682'

19. PROPOSED DEPTH 4425'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3594' GL

22. APPROX. DATE WORK WILL START*
March 15, 1989

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	23#	900'	450 sx class "C" circulated
7 7/8"	4 1/2"	10.5#	4425'	350 sx " "

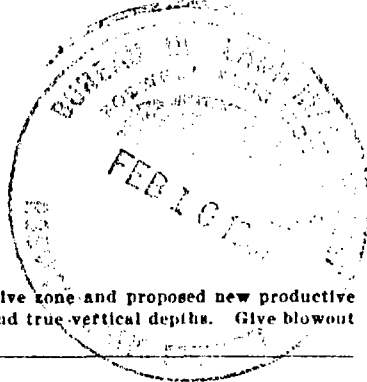
Mud Program:
Drill to top of Abo with fresh water. Mud up 100' above Abo with 9.5 ppg wt., 40 Vis. mud and 15 cc water loss.

BOP Specification:
Will install and test daily a 3000# wp Shaffer Type E double hydraulic BOP with 4" pipe and blind rams with koozeg closing unit.

Gas is dedicated.

Stud 5/24/89

BERNARD STOGNER
Geological Division
McClellan Exhibit No. 2
Case No. 9685



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 George R. Smith Agent for: McClellan Oil Corporation DATE February 9, 1989

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Phil Dusk TITLE Area Manager DATE Feb. 23, 1989

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

PROVAL OF THIS APPLICATION DOES NOT WARRANT OR GIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD LE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

By signing this application, the applicant is certifying that he is a citizen of the United States, or a resident of the United States, and is applying for this permit in accordance with the provisions of the Act, and is not applying for this permit in violation of any law, rule, or regulation of the Department of the Interior.