

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

P.O. Box 848, Roswell, New Mexico 88201

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

At surface

At proposed prod. zone

2310' FNL & 2310' FEL

O. C. C.
ARTESIA, OFFICE

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

14 miles East of Hagerman, N.M.

15. DISTANCE FROM PROPOSED*

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

330'

18. DISTANCE FROM PROPOSED LOCATION*

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

2100'

16. NO. OF ACRES IN LEASE

1200

19. PROPOSED DEPTH

1850'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Cable Tools

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

3603.05 GL

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	8 5/8"	20 lb.	400	200 sx
8"	4 1/2"	9 1/2 lb.	1795'	200 sx

Propose to drill to a depth of 1850' to test the Premier sand of the Grayburg formation. If production is indicated, will set casing and attempt completion. Test will utilize cable tools with Cortez Drilling Company, Box 848, Roswell, N.M. being the drilling contractor

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

(This space for Federal or State office use)

PERMIT NO.

TITLE Operator

DATE October 26, 1978

APPROVAL DATE

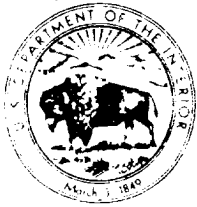
11-17-78

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE



NMOCC COPY

United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

November 17, 1978

McClellan Oil Corporation
P. O. Box 848
Roswell, New Mexico 88201

McCLELLAN OIL CORPORATION McClellan Federal No. 2 2310 FNL 2310 FEL Sec. 11, T14S, R28E Chaves County Lease No. NM-2581
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Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 1,850 feet to test the Grayburg formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and his approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard Color #595A, color 20318 or 30318).

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

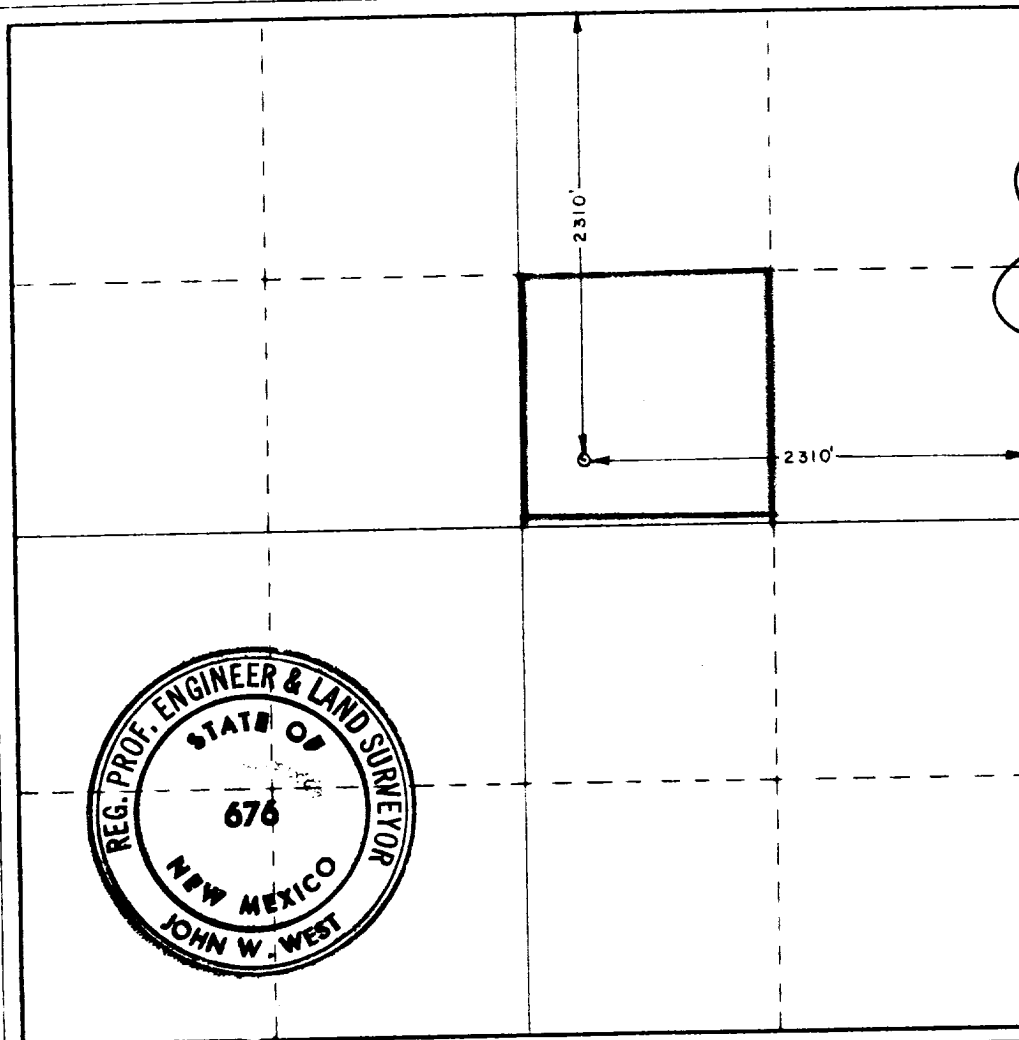
Operator McClellan Oil Corp.		Lease McClellan Federal		Well No. 2
Grid Letter G	Section 11	Township 14 South	Range 28 East	County Chaves
Actual Forage Location of Well: 2310 feet from the North line and 2310 feet from the East line				
Ground Level Elev. 3603.5	Producing Formation Grayburg	Pool Ind. Grayburg	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Commission.



CERTIFICATION

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

Jack L. McClellan
Name
Jack L. McClellan
Position
President

Company
McClellan Oil Corp.

Date
October 26, 1978

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
October 14, 1978

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **John W. West**

676
Ronald J. Eidson 3239

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

Bill Gresset

11-21-78

talked to Jack about this
within 1 mile of Sams Ranch
Grayhury gas pool.

According to Jack if this makes
a well at all it would be an
oil well. He is not real sure
he will drill the well. But if
he does and gets a gas well
the hearing will be required
prior to producing it.

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Santa Fe, New Mexico
SERIAL No.: NM-2581

and hereby designates McClellan Oil Corporation

NAME: McClellan Oil Corporation
ADDRESS: Box 848, Roswell, New Mexico 88201

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

TOWNSHIP 14 SOUTH, RANGE 29 EAST,
CHAVES COUNTY, NEW MEXICO

Section 11: NE $\frac{1}{4}$

Limited to a depth of 2000'.

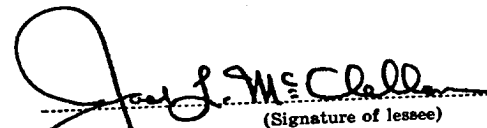
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

October 27, 1978

(Date)


Post Office Box 848
Roswell, New Mexico 88201

(Signature of lessee)

(Address)

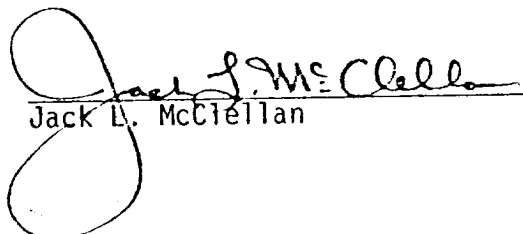
SURFACE USE PLAN

SURFACE USE PLAN

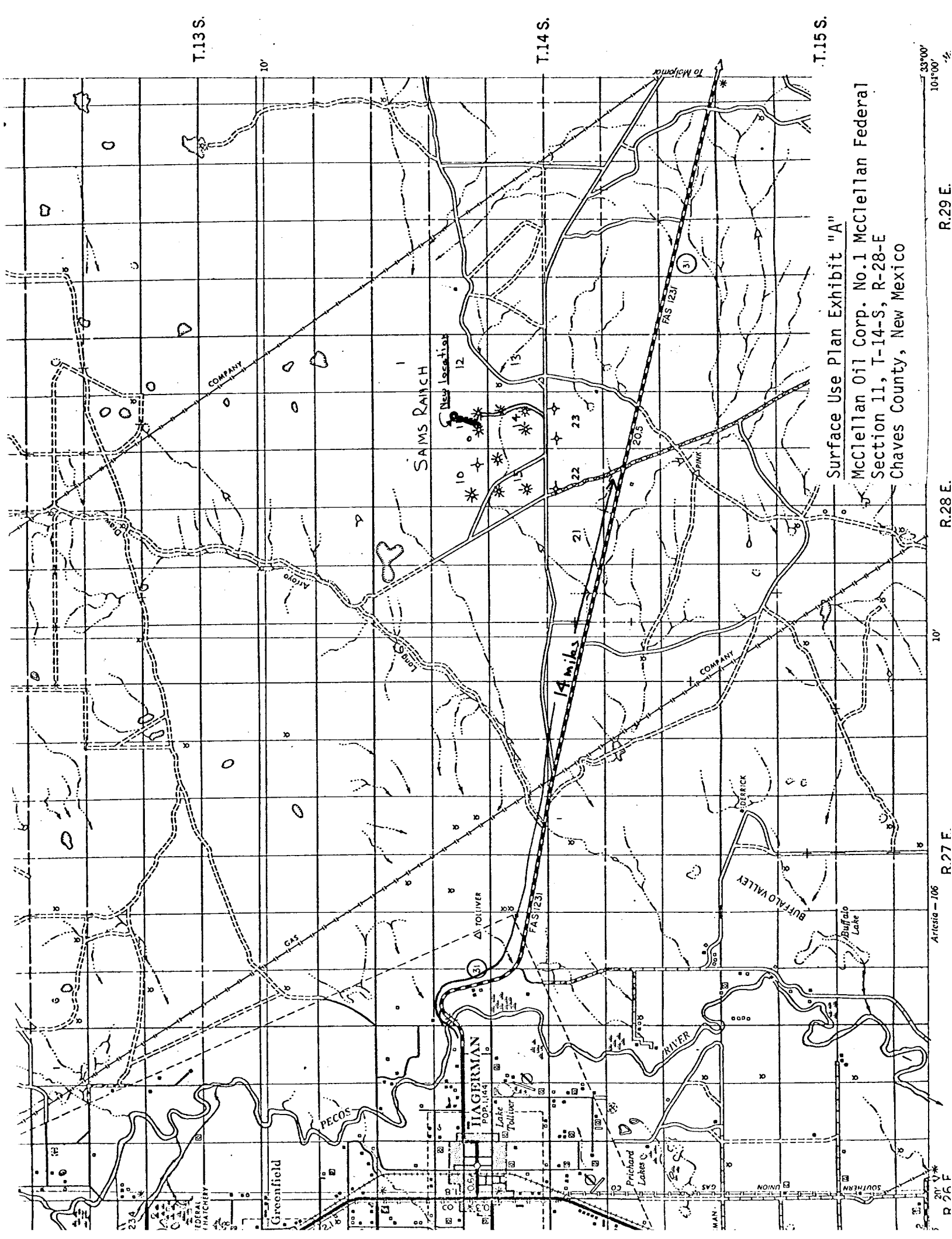
McClellan Oil Corporation McClellan Federal No. 2
2310' FNL & 2310' FEL Section 11-T16S-R28E
Chaves County, New Mexico
Federal Lease NM 2581

1. Existing Roads
Exhibit "A" is a portion of the Chaves County road map of the New Mexico State Highway Department, showing the proposed well site in relation to nearby highways and ranch-oil field roads. State Highway 31 will be used for 13 miles from Hagerman to the ranch road. This highway is maintained by the State of New Mexico. The oil field-ranch road will be used for approximately 3½ miles. This road is constructed of caliche, is approximately 12' to 25' in width and is maintained by ranchers and oil operators who utilize this road. All roads and highways to be used are marked in yellow and the proposed well site and nearby towns are marked in red.
2. Planned Access Road
Exhibit "B" shows the ranch and oil field roads. The new road to be constructed is marked in red and is approximately 2300' in length. This road will be 12' wide and caliched, as the ground is sandy. Existing gates and cattleguards will be utilized. All existing fences will be left intact.
3. Location of Existing Wells
Exhibit "C" shows all of the producing wells within 2 miles of the proposed test with ownership of various tracts.
4. Location of Tank Battery, Production Facilities & Production Gathering & Service Lines
If gas production is achieved the location of the line will be determined by the purchaser laying in the gathering system to his existing gas lines. The approximate location of the Phillips gas line is depicted on Exhibit "D".
5. Location and Type of Water Supply
There is no useable water in this area. All water needed for drilling, testing, and completion will be trucked in by a commercial transport on existing roads as shown on Exhibit "A".
6. Source of Construction Materials
This will be a cable tool drilling operation and it will be necessary to construct roads and location with caliche topping. Caliche will be obtained from the pit to be used in the drilling operation as indicated on Exhibit "B" and marked in red.
7. Handling of Waste Disposal
All waste material remaining after the drilling of this well will be placed in mud pit as shown on Exhibit "D". Any combustible or biochemically degradable material will be placed in the "burn and trash pit".

8. Ancillary Facilities
No ancillary facilities are planned.
9. Well Site Layout
This information is shown on Exhibit "D". The pits will not be lined, as this is a cable tool operation and only cuttings will be dumped in the pit.
10. Plan for Restoration of Surface
All pits will be filled in and levelled. Deadmen will be removed. The access road and location will be restored as near as possible to its natural state following instructions from appropriate governmental agency, if well is abandoned, otherwise the location will be cleared and maintained in an orderly manner.
11. Other Information
The well site is in a developing gas producing area. No unusual topography exists on this proposed well site and roads and is offset by either producing gas wells or dry holes.
12. Operator Representatives
- | | | |
|-------------------|---|----------------------|
| C. V. Miller | 1106 Yates, Artesia, N.M. 88210
Mobile Unit 236 (Dial 748-1366) | 746-3668 |
| Cleo Brown | 1808 Booker, Artesia, N.M. 88210
Mobile Unit 235 (Dial 748-1366) | 748-2228 |
| Jack L. McClellan | 3106 North Montana, Roswell, N.M. 88201 | 622-3200 or 622-4076 |
13. Certification
I certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by McClellan Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

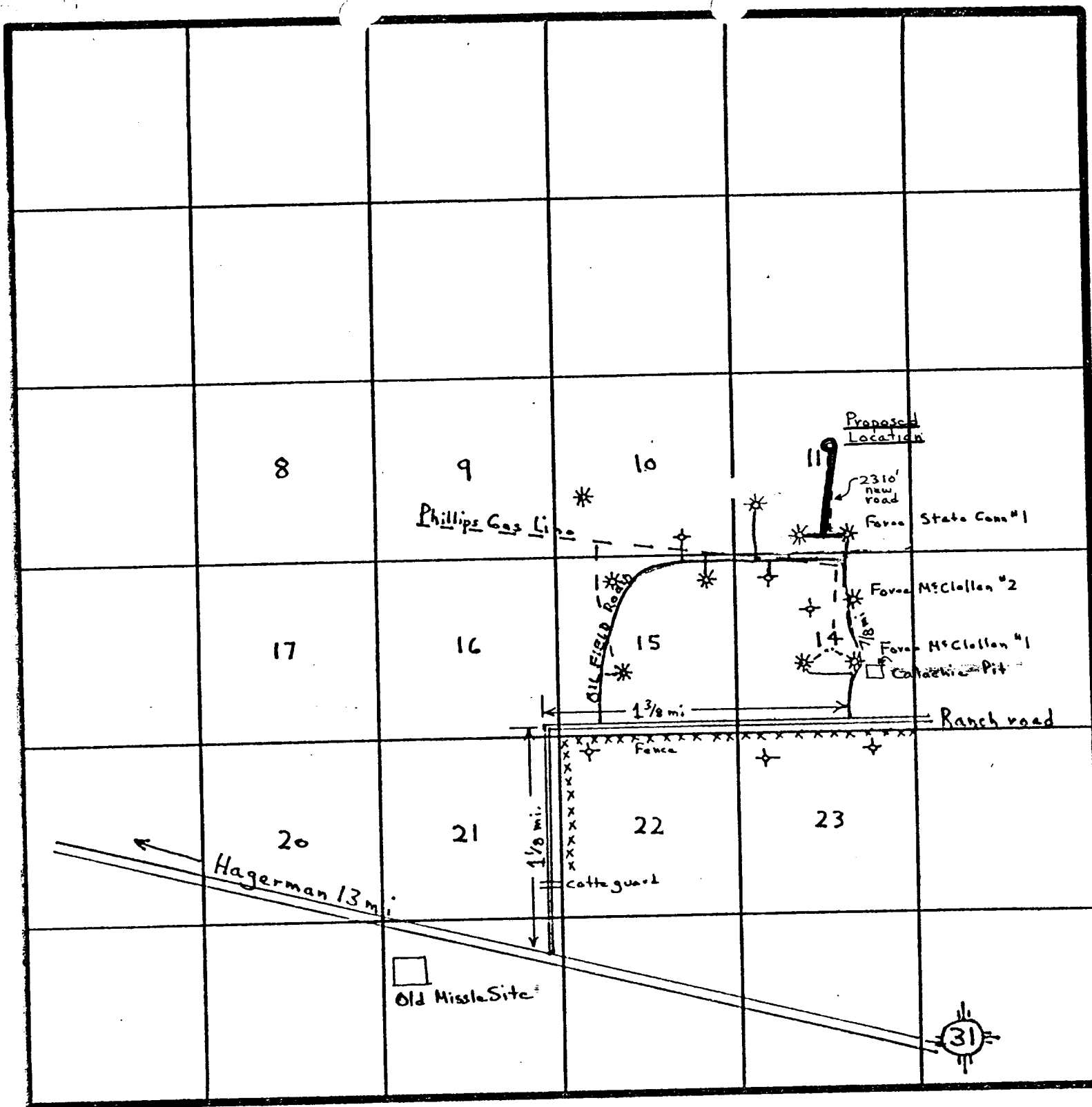


Jack L. McClellan



Surface Use Plan Exhibit "A"

McClellan Oil Corp. No.1 McClellan Federal
Section 11, T-14-S, R-28-E
Chaves County, New Mexico

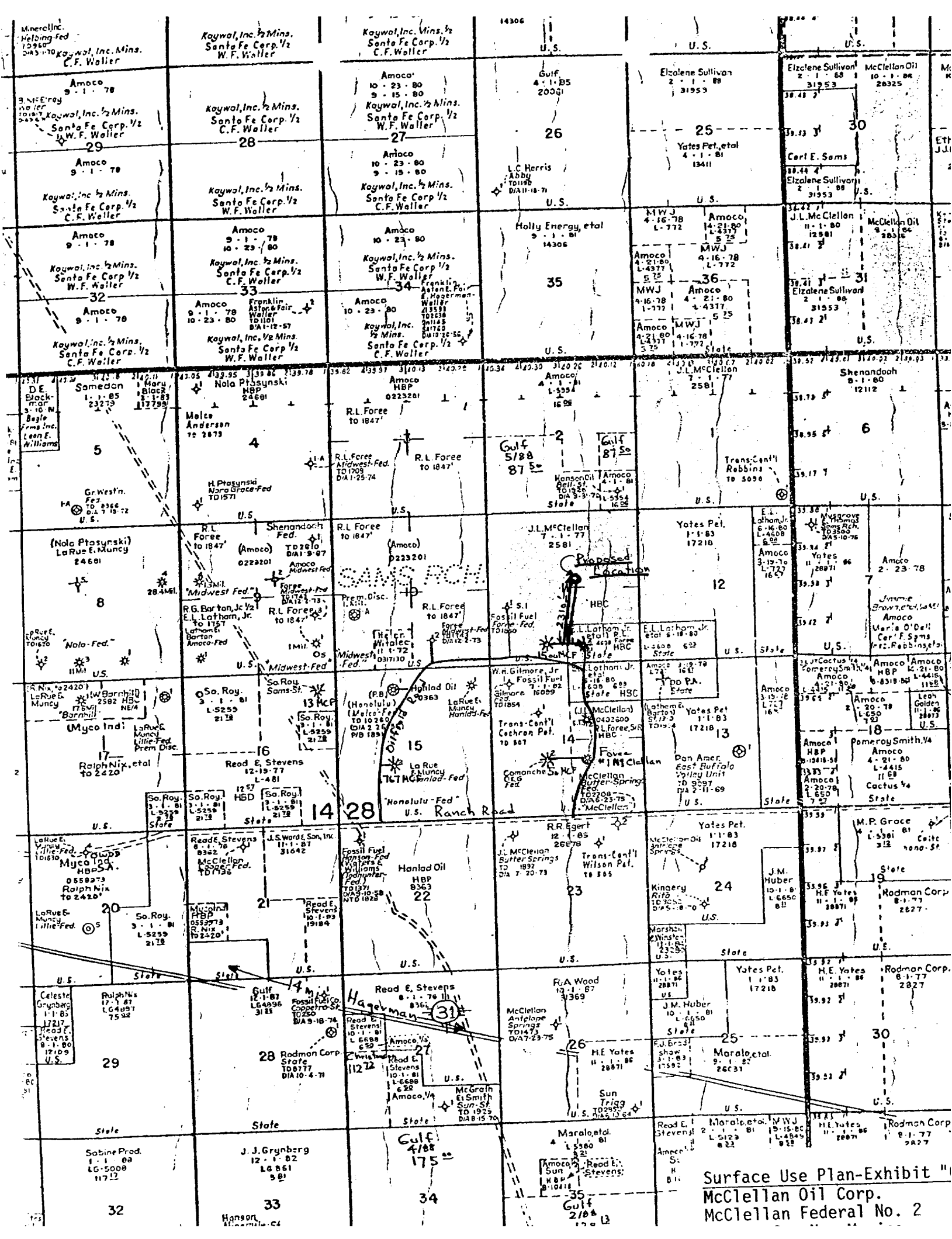


County Chaves State New Mexico

Section 11 Township 14-S Range 28-E

Remarks:

Surface Use Plan-Exhibit "B"
McClellan Oil Corp.
McClellan Fed. No. 2
Chaves Co. New Mexico

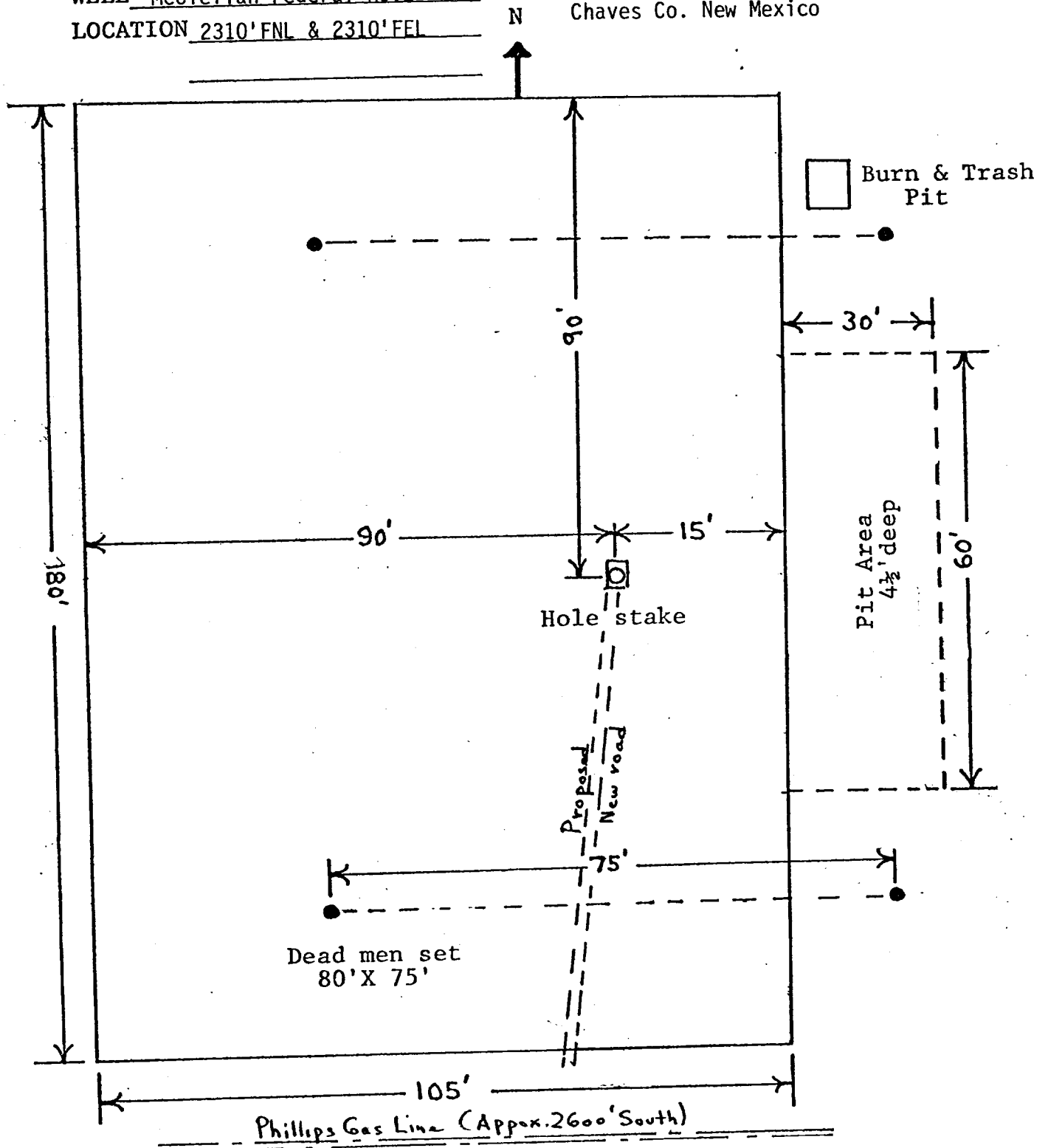




McClellan Oil Corporation
Box 848
Roswell, New Mexico 88201

WELL McClellan Federal No.2
LOCATION 2310'FNL & 2310'FEL

Surface Plan Use-Exhibit "D"
McClellan Oil Corp. No.2 McClellan Fed.
Chaves Co. New Mexico



CABLE TOOL LOCATION PLAT