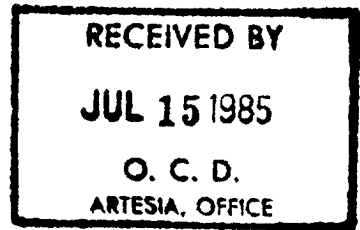




McClellan Oil Corporation

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

May 23, 1985



Bureau Of Land Management
Roswell Resource Area
P.O. Box 1857
Roswell, New Mexico 88201

Re: Sulimar Queen Unit
Tract 1-6, NW/4 SW/4, 24-15S - 29E, LC-069280A
Tract 1-14, NE/4 SW/4, 24-15S - 29E, LC-069280A

Attn: Phil Kirk
Area Manager

Dear Sir:

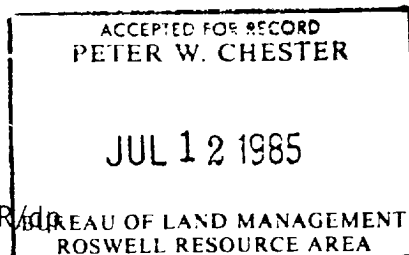
In reply to your letters dated April 25, 1985 regarding the referenced wells in the Sulimar Queen Unit, the following information is submitted for your records.

Both wells are presently shut in water injection wells. The Tract 1-14 has 2-3/8" plastic lined tubing with an R-4 packer set above the Queen perfs; the Tract 1-6 has 4-1/2" casing set through the Queen with no down hole equipment.

Both wells are subject to the New Mexico Oil Conservation Division testing of annular pressures and are scheduled for testing in June, 1985. Should further testing be required or if a witness of these annular tests is required, please notify me.

The wells are currently not being injected into, but will not be plugged and abandoned until engineering reservoir studies determine whether a tertiary flood would be economic. At present, the Sulimar Waterflood is being considered for a CO2 candidate flood.

If you should need further information, please contact me.



Sincerely yours,

Paul Ragsdale
Paul Ragsdale
Operations Manager

Note Please send copy of results of NMOC casing annular pressure test.