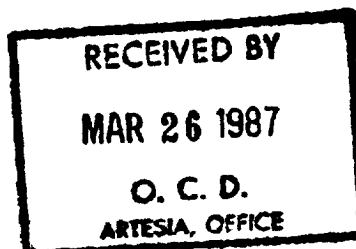




March 19, 1987

CARRUTHERS
GOVERNORPOST OFFICE
STATE LAND OF
SANTA FE, NEW
(505) 82McClellan Oil Corporation
Drawer 730
Roswell, New Mexico 88202

Attn: Mark McClellan

McClellan
Re: Harris Federal No. 1 Well
Section 21, T-15S, R-29E,
Chaves County, New Mexico

Dear Sir:

Reference is made to your request dated March 5, 1987 to cancel Division Order No. NSP-1356. This order authorized a 160-acre non-standard proration unit consisting of the NW/4 of Section 21, Township 15 South, Range 29 East, Chaves County, New Mexico, to be dedicated to the above described well in the Southeast Chaves Queen Associated Pool. The order further authorized a non-standard gas well location for the well. It is our understanding that you now wish to dedicate a 320-acre standard gas proration unit consisting of the W/2 of said Section 21.

That portion of Division Order No. NSP-1356 authorizing a 160-acre non-standard gas proration unit for the above described well is hereby cancelled. The portion of said order authorizing a non-standard gas well location for the well shall remain in full force and effect.

Division Form C-102, Acreage Dedication Plat, shall be filed with the Artesia office of the Division showing the 320-acre standard unit to be dedicated to the well.

1-25-83

Gamma Ray Newton
Surf - 1795
PERF

NSP-1356 (4)
Appr. 6-16-83