

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

PHONE 505-622-7246
FAX 505-622-1711

January 18, 2000

New Mexico Oil Conservation Division
811 South 1st Street
Artesia, New Mexico 88210

Attention: Mr. Tim W. Gum, District Supervisor

Re: Change of Operator/McQuadrangle, L.C.
Mason Phillips Properties of Florida
S. Redlake Grayburg Wells & Leasehold
Eddy County, New Mexico

Dear Mr. Gum:

Please accept this letter of explanation and request regarding the refusal of Mason Phillips Properties of Florida to execute any and all instruments related to the OCD requirements for Change of Operator into McQuadrangle, L.C., concerning all wells and leasehold formerly known as the South Redlake Grayburg Unit, Eddy County, New Mexico.

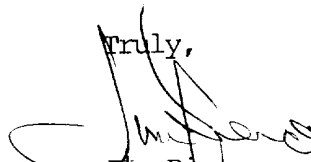
Delbert McDougal, etux, etal., (McDougal) acquired all right, title and interest in subject wells and leasehold from "Mason Phillips" by virtue of that certain Judgment entered in the Fifth Judicial District Court, County of Eddy, State of New Mexico Cause Number CV-98-463-JWF.

McDougal then assigned all interests into McQuadrangle, L.C., being the bonded entity recognized to conduct business within the State of New Mexico, by Assignment of Oil and Gas Leases dated August 6, 1999, recorded Book 360, Page 114, Eddy County Clerk Office.

Because of an ongoing lawsuit, "Mason Phillips" has refused to execute any and all instruments related to Transfer of Operations concerning subject wells.

With this in mind, we hereby request approval of all OCD forms required and presented, minus the signature of previous operator, covering the Transfer of Operations into McQuadrangle, L.C. of all wells and leasehold acquired via the civil lawsuit noted.

We appreciate your help and consideration.

Truly,

Jim Pierce
Landman

JP/lm

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised February 10, 1994

Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address McQuadrangle, L.C. 7008 Salem Lubbock, Texas 79424		OGRID Number 105130
		Reason for Filing Code CH May 10, 1999
API Number 30 - 0 15-00653	Pool Name Red Lake Queen Grayburg San Andres	Pool Code 51300
Property Code 25414	Property Name South Redlake Grayburg	Well Number 1

II. Surface Location

UL or lot no. C	Section 36	Township 17S	Range 27E	Lot Ids	Feet from the 660	North/South Line North	Feet from the 1650	East/West Line West	County Eddy
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Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South Line	Feet from the	East/West Line	County
S									
Lee Code	Producing Method Code	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
015694	Navajo Refining Company P. O. Box 159 Artesia, NM 88210	2229710	0	I-35-17S-27E Main Battery

IV. Produced Water

POD	POD ULSTR Location and Description I-35-17S-27E
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V. Well Completion Data

Spud Date	Ready Date	TD	PSTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
				3-10-00

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Cog. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Delbert McDougal*

Printed name: Delbert McDougal

Title: Managing Partner

Date: August 14, 1999 Phone: 806-797-3162

OIL CONSERVATION DIVISION

Approved by:

Title: ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Approval Date: FEB 22 2000

If this is a change of operator fill in the OGRID number and name of the previous operator

Mason Phillips Properties of Florida Charles Hartman

8/14/99

Previous Operator Signature

Printed Name

Title

Date

OGRID#143126