



McClellan Oil Corporation

October 22, 1976

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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O. C. C.
ARTESIA, OFFICE

New Mexico Energy Resources Board
C/O New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: McClellan Oil Corporation
Barbara "A" Federal No. 1
Unit D-Sec. 10-T16S-R29E
Eddy County, New Mexico

Gentlemen:

Pursuant to New Mexico Laws 1975, Chapter 289, Section 20, this letter is to inform your office that the captioned well has been completed as an oil well capable of producing approximately 10 barrels of oil per day and 235 MCF gas.

The oil is being purchased by Navajo Crude Oil Purchasing Company, which is trucking the oil to their Artesia refinery. No binding contract has been entered into, nor is any anticipated.

The gas is being vented at the present time, pending our negotiations with TUCO, INC. which has a gas gathering system in the area but would necessitate a great deal of compression. The same situation exists for a Phillips transmission line, but would again result in high costs of compression. We are involved in a discussion with Phillips to lay a low pressure casinghead gas type line into the area.

Trust this will fulfill the requirements of the above stated law.

Very truly yours,

Jack L. McClellan
President

JLMc:lt