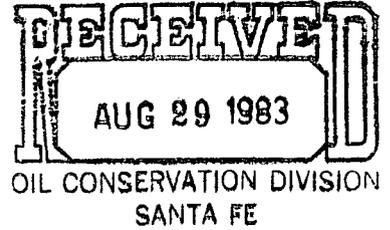




McClellan Oil Corporation

*NSL 1740  
Rule 104 F  
No office fee  
Immediate*



August 25, 1983

Mr. Joe Ramey, Secretary-Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, N.M. 87503

Re: Sulimar Queen Unit Tract 2-~~8~~  
Sec. 18-T15S-R30E  
1450' FSL & 150' FWL  
Chaves County, New Mexico

*Well No 8*

Dear Mr. Ramey:

Stephens Engineering, the consulting firm for the Sulimar Queen Waterflood Unit, has recommended the drilling of the captioned test in order to effect a more economical recovery from the Sulimar Queen Unit. This well, if productive, will drain an area of the reservoir that otherwise would not be produceable. McClellan Oil Corporation, as well as Stephens Engineering, feels that the above captioned test is the best location to drill the well as an alternate location in this area could result in a less productive well or possibly a dry hole.

McClellan Oil Corporation is requesting administrative approval for an unorthodox Queen well location for the above mentioned reasons.

We will appreciate your expeditious approval and issuance of the administrative order.

Sincerely yours,

*Mark McClellan*

Mark McClellan  
Geologist

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87504

Form C-102  
Revised 10-1

All distances must be from the outer boundaries of the Section.

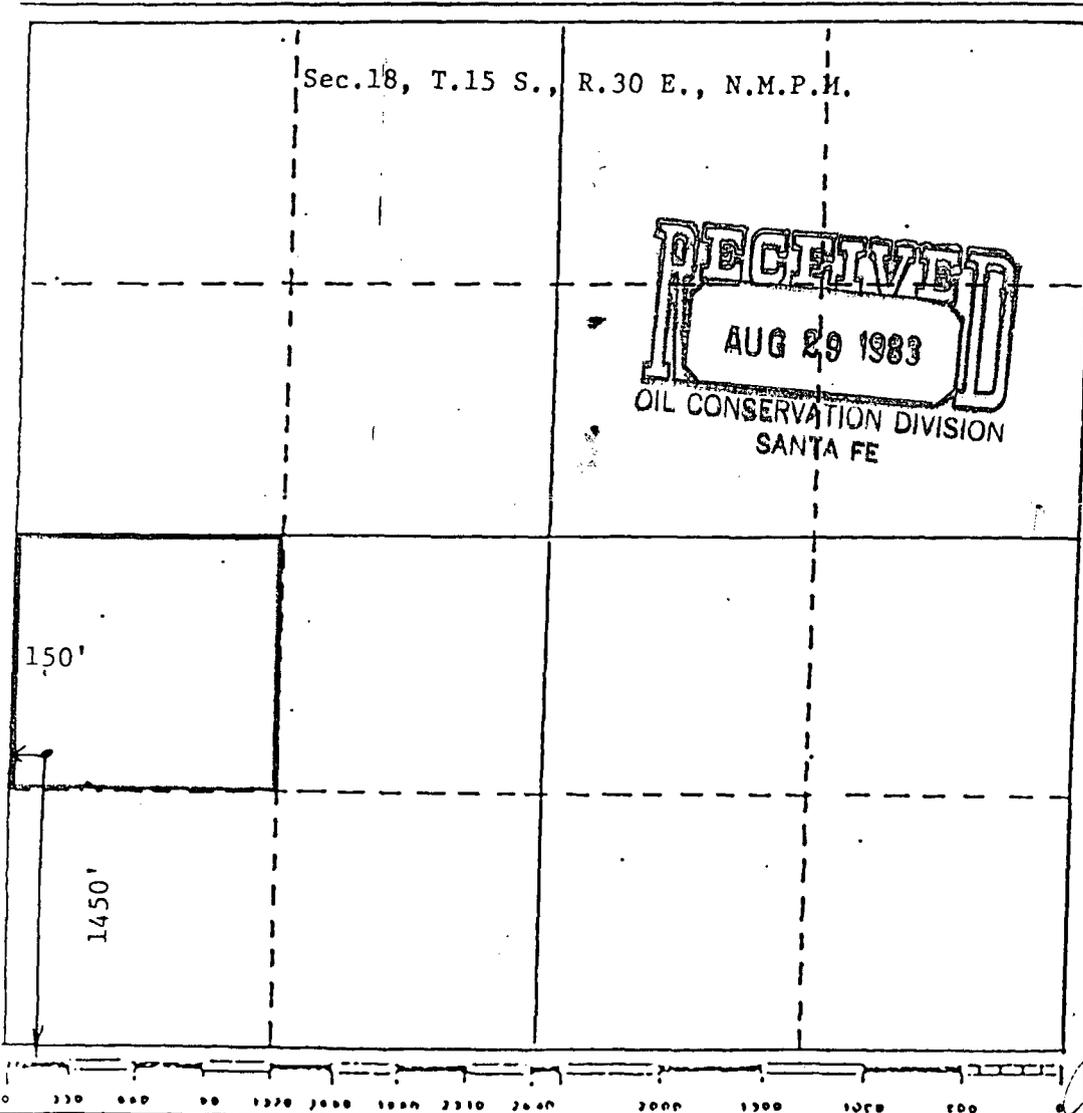
Operator McClellan Oil Corp.		Lease Sulimar Queen Unit Tract 2			Well No. #8
Unit Letter L	Section 18	Township 15 South	Range 30 East	County Chaves	
Actual Postage Location of Well: 150 feet from the West line and 1450 feet from the South line					
Ground Level Elev. 3961	Producing Formation Queen		Pool Sulimar Queen	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 Division.



**CERTIFICATION**

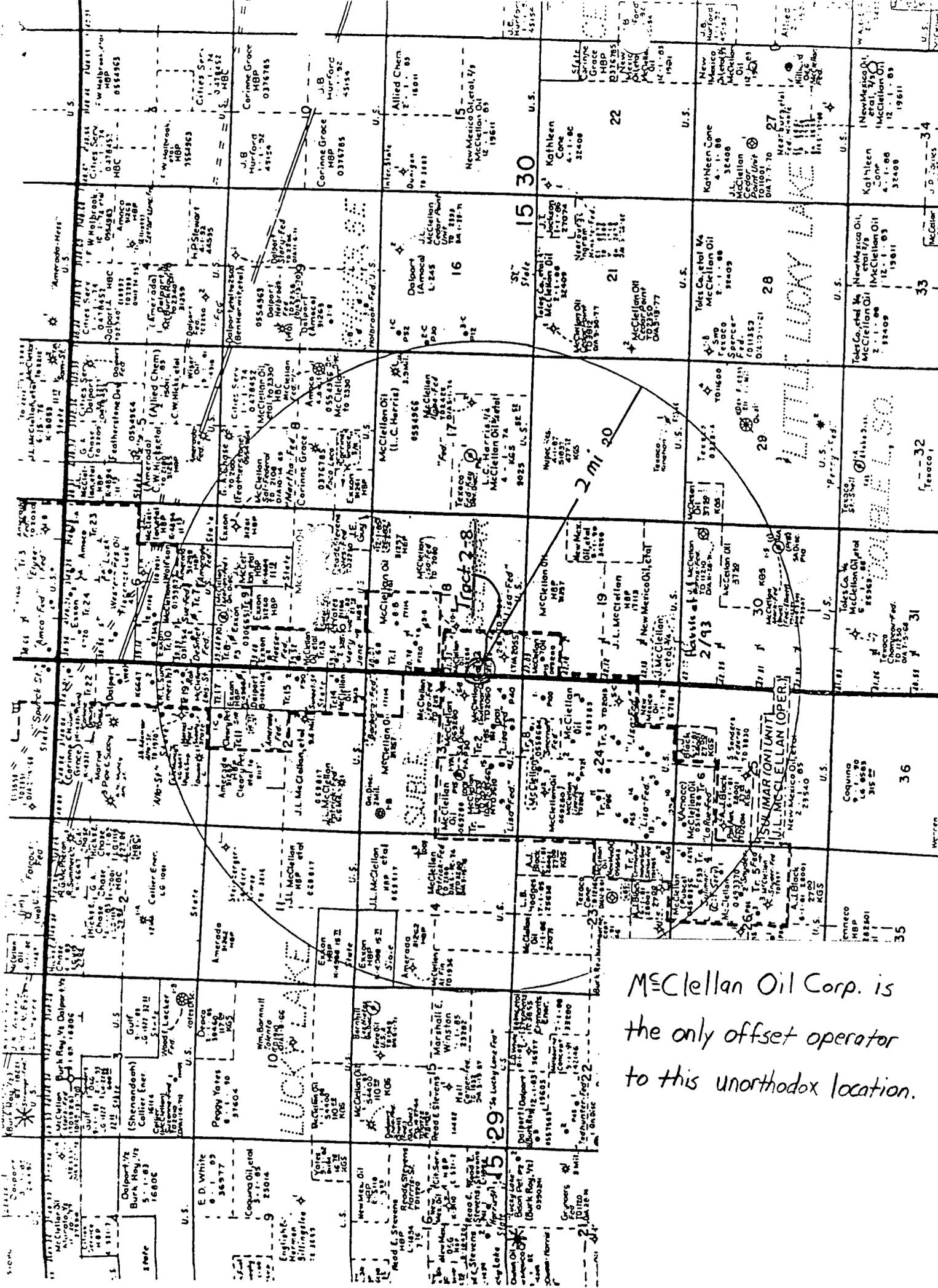
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Mark McClellan*

Name: Mark McClellan  
Position: Geologist  
Company: McClellan Oil Corporation  
Date: August 18, 1983

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: August 18, 1983  
Registered Professional Engineer and/or Land Surveyor  
John D. Jaques, P.E. L.S.  
Certificate No. 6290



McClellan Oil Corp. is the only offset operator to this unorthodox location.