

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101

May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE**

¹ Operator Name and Address McClellan Oil Corporation, P.O. Box 730, Roswell, NM 88202		² OGRID Number 14348
		³ API Number 30 - 005 - 61891
⁴ Property Code 302961	⁵ Property Name And State	Well No. 1
⁶ Proposed Pool 1 Undesignated Foor Ranch; Pre-Permian, NE		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	1980 Feet from the	South line	660 Feet from the	East line	County
I	4	8 South	27 East						Chaves

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary Well Service Unit	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3931'
¹⁶ Multiple	¹⁷ Proposed Depth 6888'	¹⁸ Formation Wolfcamp	¹⁹ Contractor Desperado	²⁰ Spud Date 11/15/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____ Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 50"	13 375"	54 50 #	813'	840	Circulated
7 875"	5 50"	15 50 #	6883'	1425	Circulated

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

10/2/06 Swab tested existing perforations located from 6,268' to 6,275'. Well produced small amount of gas and no fluid.

Propose to set a cast iron bridge plug at 6,200' above existing perforations and dump cement on top of bridge plug.

Propose to perforate Wolfcamp zone from 5,810' to 5,814' and acidize with 2,000 gals 20% HCL to test zone for commercial production.

There is no existing pit on location. All fluid will be swabbed/flowed into a test tank. No fluid will be released onto the surface.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: *Mark McClellan*

Title: President

E-mail Address: Sulimar@qwest.net

Date: 10/24/06

Phone: (505) 622-3200

OIL CONSERVATION DIVISION

Approved by:

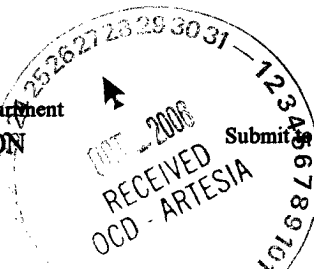
BRYAN G. ARRANT

Title:

DISTRICT II GEOLOGISTApproval Date: **OCT 30 2006**Expiration Date: **OCT 30 2007**Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-61891		² Pool Code 97170	³ Pool Name Undesignated Four Ranch; Pre-Permian, NE
⁴ Property Code	⁵ Property Name Ard State		⁶ Well Number 1
⁷ OGRID No. 14348	⁸ Operator Name McClellan Oil Corporation		⁹ Elevation 3,931' GL

¹⁰ Surface Location

UL or lot no. I	Section 4	Township 8 South	Range 27 East	Lot Idn	1980' Feet from the	South line	660' Feet from the	East line	County Chaves
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	¹³ Joint or Infill No	¹⁴ Consolidation Code C	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ OG 2391 LG 978 660' 660'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Mark McClellan</i> Signature Mark McClellan Printed Name President Title October 23, 2006 Date	
	¹⁸ SURVEYOR CERTIFICATION 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 belief. Date of Survey Signature and Seal of Professional Surveyor: <i>See Plat dated December 14, 1982</i> Certificate Number	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator JULIAN ARD			Lease Acme			Well No. 1
Unit Letter I	Section 4	Township 8 South	Range 27 East	County Chaves		
Actual Footage Location of Wells: 1980 feet from the South line and 660 feet from the East line						
Ground Level Elev. 3931.1'	Producing Formation MONTORA		Pool WILDCAT		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 Commission.

CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

I hereby certify that the well location shown on this plat is derived from field notes of actual surveys and became or under my supervision and that the same is true and correct to the best of my knowledge and belief.

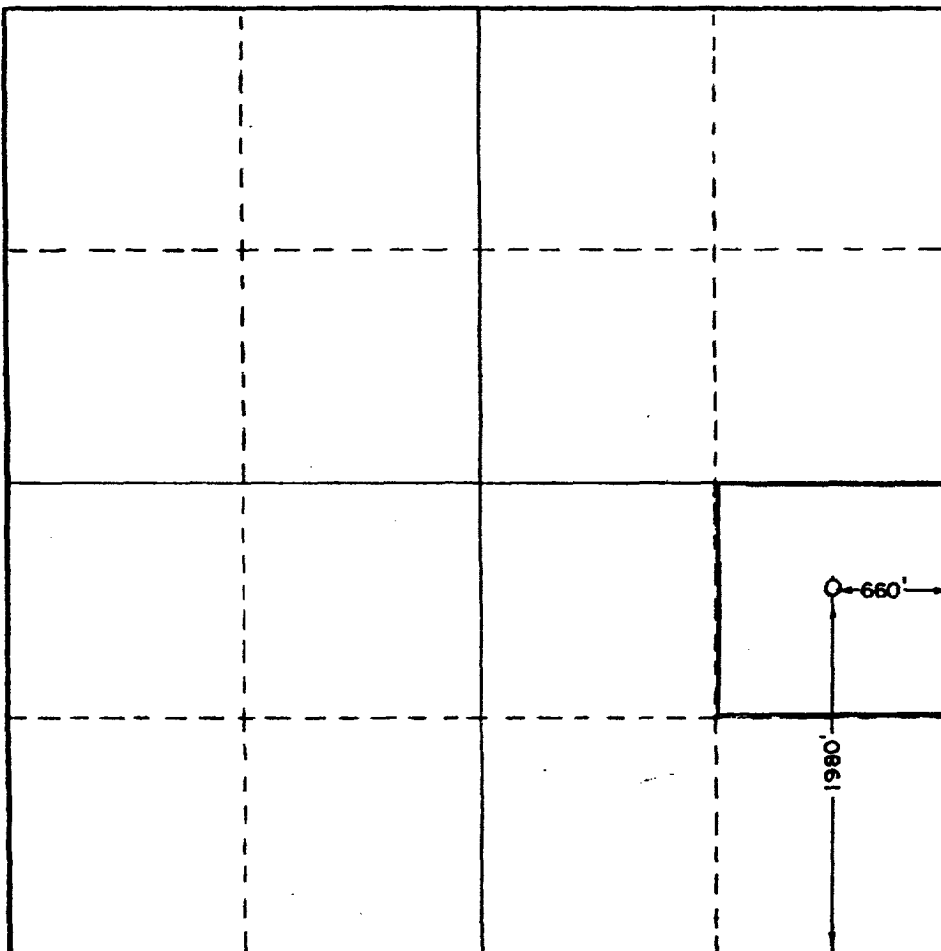
Date Surveyed

December 14, 1982

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

7977



10/25/2006

McClellan Oil Corporation
Ard State No. 1
1980' FSL & 660' FEL
Section 4 - T8S - R27E
Chaves County, New Mexico
API No. 30-005-61891

13 3/8" @ 813'
840 SX Circ.

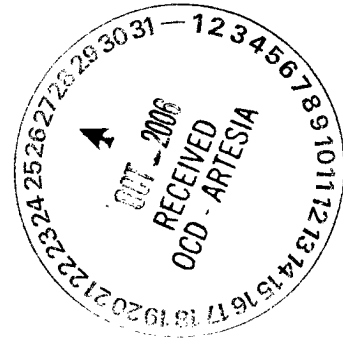
TOC @ $\frac{1}{2}$ 2600'

5 1/2" Packer
Wolfcamp 5810-14' 2000 gals acid (Proposed)
CIBP @ \pm 6200' (Proposed)
Atoka 6268-75, 3000 gals acid
CIBP @ 6360'
Silurian 6394-6400, 6424-30, 1000 gals acid
CIBP @ 6590'
Montoya 6646-54, 500 gals acid
5 1/2" @ 6883'
1425 SX Circ.



McClellan Oil Corporation

October 26, 2006



Oil Conservation Division
1301 West Grand Avenue
Artesia, New Mexico 88210

Re: Ard State No. 1

Dear Brian:

Enclosed please find Form C-101 and Form C-102 as well as a diagram of the well bore for the Division's review and approval for the above captioned well.

Should you have any questions or comments I may be reached at (505) 622-3200. Your timely attention to this request will be greatly appreciated.

Sincerely,
McClellan Oil Corporation

Mark McClellan
Mark McClellan - President