STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION



HOBBS DISTRICT OFFICE

GARREY CARRUTHERS

November 4, 1987

POST OFFICE BOX 1980 HOBBS, NEW MEXICO -88241-1980 IS05) 393-6161

McClellan Oil Corporation P.O. Drawer 730 Roswell, NM 88202

Attn: Paul Ragsdale

Re: Amerada Federal 17 Com Well #1 Section 17, T15S, R30E Chaves County, NM

Gentlemen:

We have this date received from the BLM your application to re-enter the Amerada Hess Corporation Federal 17 Well #1 and recomplete as a Little Lucky Lake-Morrow Gas well.

The location, 990/S & 1650/E, is unorthodox for a Morrow gas well. Since this is a re-entry you should be able to get the unorthodox location approved administratively. If you have not already submitted your application for approval of this unorthodox gas well location, please do so immediately. The well will not be allowed to produce until the NSL is approved.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

JS/ED/ed