

May 19, 1976

Oil Conservation Commission Post Office Box 1980 Hobbs, New Mexico 88240

> McClellan Oil Corporation Re: Sam State No. 2 Unit P Section 32-14S-30E Chaves County, New Mexico

Attention: Mr. Jerry Sexton

Gentlemen:

Pursuant to your letter of May 18, with reference to the above captioned well, the well has been connected by Chala Cryogenics and you should receive that notice of connection today or by at least tomorrow.

This letter is also to inform you that we request an unorthodox location for this test inasmuch as the well was commenced prior to the effective date of Commission Order R-5180 and that the notice of approval to drill was approved prior to your receipt of Order R-5180.

Very truly yours, 1 J.M. Clella Jack U. McClellan President

JLMc: lt

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DIRECTOR

JOE D. RAMEY

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 1980 - HOBBS 88240 LAND COMMISSIONER PHIL R. LUCERO May 18, 1976



STATE GEOLOGIST EMERY C. ARNOLD

McClellan Oil Corporation P. O. Box 848 Roswell, New Mexico 88201

Gentlemen:

Commission Form C-104 for your Sam State No. 2 located in Unit P of Section 32, T-14-S, R-30-E, will be held without approval until we receive a Notice of Gas Connection from Chala Cryogenics.

We also wish to call to your attention that Commission Order No. R-5180 deleted the area in which this well is located from the Double L Queen Associated Pool and added it to the Vest Ranch Queen Associated Pool, in which a standard location for a gas well is no nearer than 1980 feet from the nearest end boundary and 660 feet from the nearest side boundary of the 320 acre unit dedicated to the well. The Order does grant approval for all wells either drilled or drilling at the time the Order was entered, provided that the operator of any such well notify this office by May 1, 1976.

Since the Notice of Intention to Drill for the Sam State No. 2 was approved prior to our receipt of Order No. R-5180, the unorthodox location will be approved if you will furnish us with a letter as required by the Order.

Yours very truly,

OLL CONSERVATION COMMISSION

Sexton Jerry Supervisor, District 1

mc