

N. M. OIL CONS. COMMISS
 P.O. BOX 1000
 HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE*
 (Other instructions on reverse side)

Form approved
 Budget Bureau No. 42-R1425.

30-105-21063

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 McClellan Oil Corporation

3. ADDRESS OF OPERATOR
 P.O. Drawer 730, Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements.)
 At surface 660' FSL & 1980' FEL
 At proposed prod. zone

11. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 13 miles north of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 660'

16. NO. OF ACRES IN LEASE
 240

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 NA

19. PROPOSED DEPTH
 10,300

20. ROTARY OR CABLE TOOL
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3919' G.L.

22. APPROX. DATE WORK WILL START*
 3/1/87

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48	505'	525 sx Class "C" Circulate
12-1/4"	8-5/8"	24 & 32	2900'	1050 sx HL & Class "C"
7-7/8"	5-1/2"	17 & 20	10,000'	650 sx Class "H"

Propose to drill and test the Pennsylvanian, primarily the Morrow formation. 13-3/8" surface casing will be set thru the Red Beds. 8-5/8" casing will be set into the top of the San Andres. Will then drill to the top of the Mississippian using drill stem tests to evaluate all shows. If production is indicated, will run 5-1/2" production string and attempt completion.

Mud Program: 0 - 505' Spud mud, fresh water, gel.
 505' - 2900' Brine & Native mud, mud wt. 9.9-10.2 ppg, Vis 29-33, No water loss
 2900' - 8000' Cut brine & native mud, mud wt. 9.4-9.6 ppg, Vis 34, No water loss
 8000' - 10,000' Mud up with salt water mud, mud wt. 9.4-9.7 ppg, Vis 36-40, Water Loss - 20 cc

BOP Program: A 5000 psi WP blow out preventer will be used and tested daily. See Exhibit E.

Gas is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Paul Rosedale TITLE Operations Manager DATE 1/14/87

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY S/Phil Kirk TITLE Area Manager DATE FEB 5 1987

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICATION LEADS TO AN EQUITABLE TITLE TO THOSE RIGHTS IN THE LANDS INVOLVED. *See Instructions On Reverse Side. ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

