



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

January 16, 2003

Murchison Oil & Gas, Inc.
1100 Mira Vista Blvd.
Plano, Texas 75093

RE: ADMINISTRATIVE ORDER DHC-3071

Big Cat State Com Well No.1

API No. 30-015-32091

Unit G, Section 11, Township 17 South, Range 28 East, NMPM,

Eddy County, New Mexico

North Anderson-Wolfcamp (Oil 97183)

Dear: Mr. Daugherty

As requested in your January 13, 2003, letter to the New Mexico Oil Conservation Division (Division), the administrative order DHC-3071 signed on November 14, 2002, is hereby rescinded.

Murchison Oil & Gas, Inc. (MOGI) shall allocate 100% of future production from this well to the North Anderson-Wolfcamp Pool (Oil 97183). The Artesia District Office of the Division has determined this well is not producing from the North Empire-Abo Pool.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (wvj)
LORI WROTENBERY
Director

LW/wvj

cc: Oil Conservation Division - Artesia
State Land Office - Santa Fe



January 13, 2003

RECEIVED

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OIL CONSERVATION
DIVISION

Mr. Pete Martinez
State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM. 87504-1148

Ms. Lori Wrotenbery
State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM. 87505

Mr. Bryan Arrant
State of New Mexico
Oil Conservation Division -- District II
1301 W. Grand Avenue
Artesia, NM. 88210

DHC-3071
FJO

RE: **BIG CAT STATE COM WELL NO. 1**
API NO. 30-015-32091
UNIT G, SEC. 11, T17S, R28E, NMPM,
EDDY CO., NM.
NORTH ANDERSON-WOLFCAMP (OIL 97183) AND
UNDESIGNATED NORTH EMPIRE-ABO (OIL 96365) POOLS

Ladies and Gentlemen:

Murchison Oil & Gas, Inc. filed for a permit to commingle Wolfcamp and Abo production from the referenced well. The request was approved by Administrative Order DHC-3071 on November 14, 2002. Since that time we have been informed by Bryan Arrant with the Artesia OCD that the zone we added (MOGI deemed it to be Abo) was actually Wolfcamp and it was not necessary to have a commingling order. We also received a letter dated January 7, 2003 from Pete Martinez with the NM State Land Office requesting that we seek further approval from the State Land Office in order to commingle the zones.


In view of the confusion and complexity of the situation, Murchison Oil & Gas, Inc. requests the following action be taken:

- 1) MOGI will defer to the Artesia OCD's determination that the referenced well is only completed in the Wolfcamp formation which will eliminate the need to have a commingling permit.
- 2) The Administrative Order 3071 approving the commingling of Wolfcamp and Abo be rescinded.
- 3) All production will be reported on the Monthly C-115 as being produced from the North Anderson-Wolfcamp Pool.

On behalf of MOGI, I apologize for creating the confusion as outlined above. Our efforts to abide by OCD regulations were unsuccessful, but never the less well intended. I would appreciate your informing me if the proposed remedies are acceptable.

Very truly yours,

MURCHISON OIL & GAS, INC.


Michael S. Daugherty
Vice President Operations

MSD/ct/BigCatSC#1-StLnd-OCD-Commingling

Encl.

cc: Tommy Folsom