

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MURCHISON OIL & GAS,  
INC. FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

**Case No. 13,959**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

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

Attention: Michael S. Daugherty  
(972) 931-0700

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-4 and the S/2N/2 (the N/2) of Section 3, Township 17 South, Range 29 East, NMPM, to form a standard 319.44-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Grayburg-Atoka Gas Pool and Undesignated Grayburg-Morrow Gas Pool. The unit is to be dedicated to the Bear Draw State Com. Well No. 1, to be drilled at an orthodox location in Lot 2 of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

*WVJ 7/13/07*

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

15 min.

Approx. 5

OPPONENT

WITNESSES

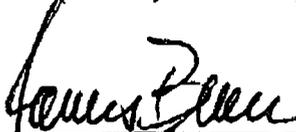
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Murchison Oil & Gas, Inc.