

**J.D. MURCHISON INTERESTS, INC.****CERTIFIED MAIL**

MURCHISON OIL & GAS, INC.

MURCHISON PROPERTIES, INC.

March 31, 2004

Mr. Michael Stogner
State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe, NM. 87505

RECEIVED**APR 2 2004**

**Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505**

**RE: UNORTHODOX LOCATION EXCEPTION
HUGGIE BEAR STATE COM #1
1420' FNL & 990' FEL, SEC. 2, T17S, R28E
EDDY CO., NM.**

30-015-32176

Dear Mr. Stogner:

The referenced well was recently drilled at an orthodox location for the Morrow formation. Unfortunately we were not successful in the Morrow and the well was plugged and abandoned. Murchison Oil & Gas, Inc. now proposes to re-enter the wellbore and attempt a Wolfcamp completion from 7434 to 7544'.

The well's location is now unorthodox by virtue of Order No. R-11231. The Well Dedication and Acreage Plat Form C-102 for the well is attached. Since the well is no closer than 330 feet to an outer boundary of our lease, a list of offset operators has not been included, but a current commercial land map is attached for your use and reference. Please contact me if you have questions. Please grant an exception to the well's location requirements of Rule 104 C (2) (b) in view of these circumstances.

Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty
Vice President Operations

MSD/ct/HuggieBearStCom#1-OCD-UnorthLocExc.

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

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32176	Pool Code 97183	Pool Name ANDERSON WOLFCAMP NORTH
Property Code 29244	Property Name HUGGIE BEAR STATE COM	Well Number 1
OGRID No. 015363	Operation Name MURCHISON OIL & GAS, INC.	Elevation 3573

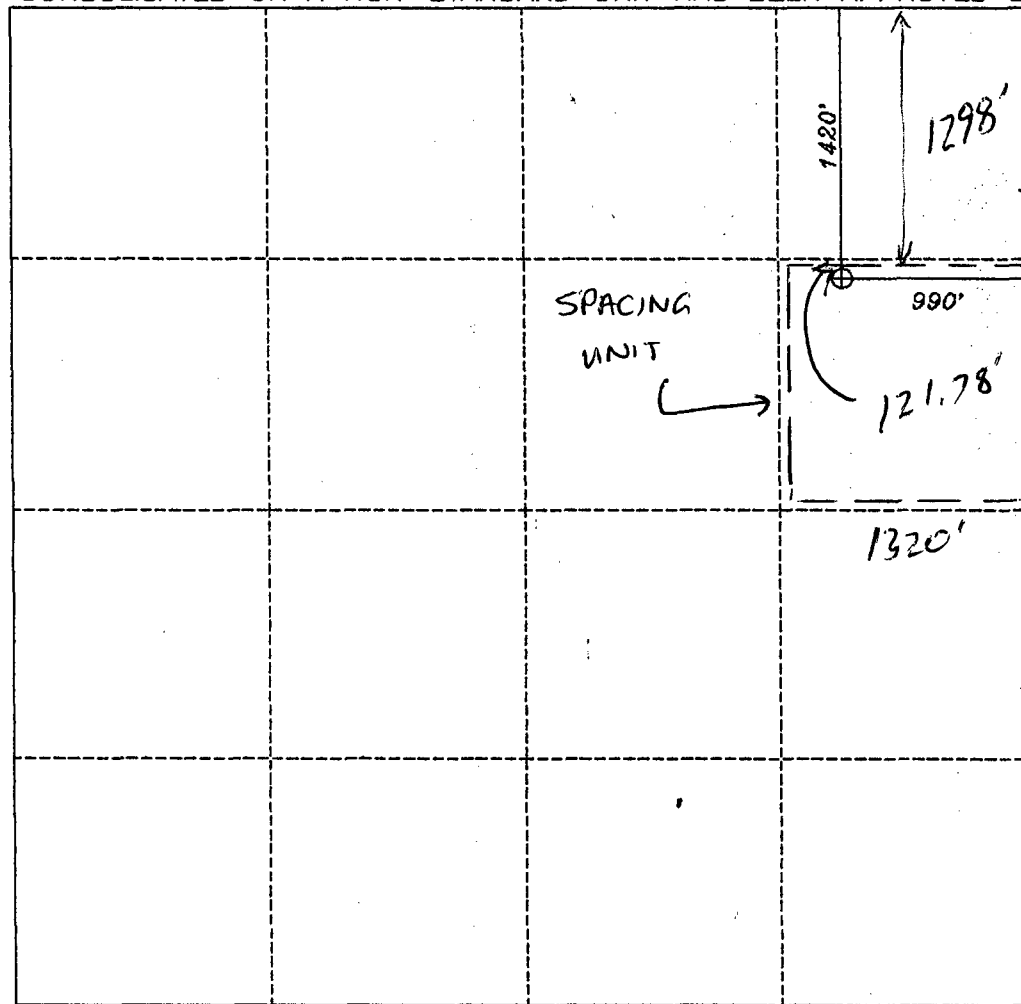
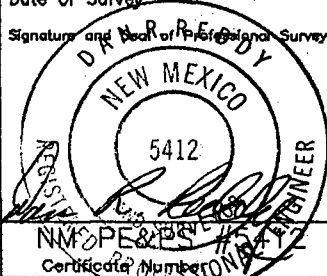
Surface Location

UL or Lot No. H	Section 2	Township 17-S	Range 28-E	Lot Idn.	Feet from the 1420	North/South line NORTH	Feet from the 990	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. Lot 1 = 35.34 acres
	Signature <i>Michael S. Daugherty</i>
	Printed Name MICHAEL S. DAUGHERTY
	Title VICE PRESIDENT OPERATIONS
	Date 3/31/04
	SURVEYOR CERTIFICATION I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	FEBRUARY 21, 2003
	Date of Survey
	Signature and Seal of Professional Surveyor
	
	Certificate Number

HUGGIE BEAR ST. COM #1
SEC. 2, T17S, R28E
EDDY CO., NM.

