

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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 OIL CONSERVATION DIVISION

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney for Applicant
 Title

4/5/02
 Date

JAMES BRUCE
 P. O. BOX 1056
 SANTA FE, NM 87504

jamesbruc@aol.com
 e-mail Address



HAND DELIVERED

April 3, 2002

Mr. Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F. (2), Murchison Oil & Gas, Inc. applies for administrative approval of an unorthodox gas well location for the following well:

Well: Ringer ~~Fed Com~~ Well No. 4
Location: 660 feet FNL & 1040 feet FEL
Unit: All of Section 3, Township 25 South, Range 26 East,
N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Pennsylvanian formation (White City-Pennsylvanian Gas Pool). Under Order No. R-2429-A, spacing in the pool is 640 acres, with wells to be no closer than 1650 feet to the outer boundary of the well unit nor closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A. The proposed well will be the second well on the unit, as permitted by the special rules for the pool.

The application requesting an unorthodox location is based on geologic considerations. Attached as Exhibit B is a structure map of the Middle Morrow Clastics which is color coded to show the various producing sands and also indicates cumulative production for the Atoka and Morrow. Both the Atoka and Morrow formations are expected to be productive and are primary objectives. The structure map indicates a minor fault in the north half of Section 3. The Ringer #1 well located 2012' FNL and 1808' FWL of Section 3 was a marginal producer from the Morrow (177 MMCF) which may be a result of being down thrown to the fault. The wells north of the fault were good Morrow wells. In the event being down thrown to the fault does have a negative impact, MOGI prefers to move away from the fault as far as possible. Unfortunately surface restrictions prevent a location 660 FEL. Moving the well north and east of an orthodox location will hopefully enable the wellbore to encounter better sand development thus increasing the likelihood of a commercial well, and preventing waste.

A land plat is attached as Exhibit C. Murchison Oil & Gas, Inc. is the operator of the offset Sections 34, 35 & 2, which are affected by the unorthodox location. Therefore, offset working interest owners in the Pennsylvanian formation are being notified. The interest owners are as follows:

<u>Well Unit</u>	<u>Working Interest Owners</u>
S34 – 24S-26E	Margaret Ann H Bond & Joseph S Bond Chaparral Energy, Inc. Chevron USA Production Company Lee Wayne Moore Beverly H. Strong Robert E. Patterson Woodson Oil & Gas, L.P.
S35-24S-26E	Andrews Oil, L.P. AGS Oil & Gas Holdings Chaparral Energy, Inc. Corkran Energy, L.P. Durango Production Co., Inc. Unit Petroleum Company
S2-25S-26E	Murchison Oil & Gas, Inc.

Notice of this application has been given to the offsets, as shown by the notice letter attached as Exhibit D.

Please call me if you need any further information on this matter.

Very truly yours,

MURCHISON OIL & GAS, INC.


Michael S. Daugherty
Vice President Operations

MSD/ct/RingerFC#4-OCD-Unorth.

Encl.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	87280	WHITE CITY PENN (GAS)
Property Code	Property Name	Well Number
	RINGER	4
OGRID No.	Operator Name	Elevation
015363	MURCHISON OIL & GAS, INC.	3278'

Surface Location

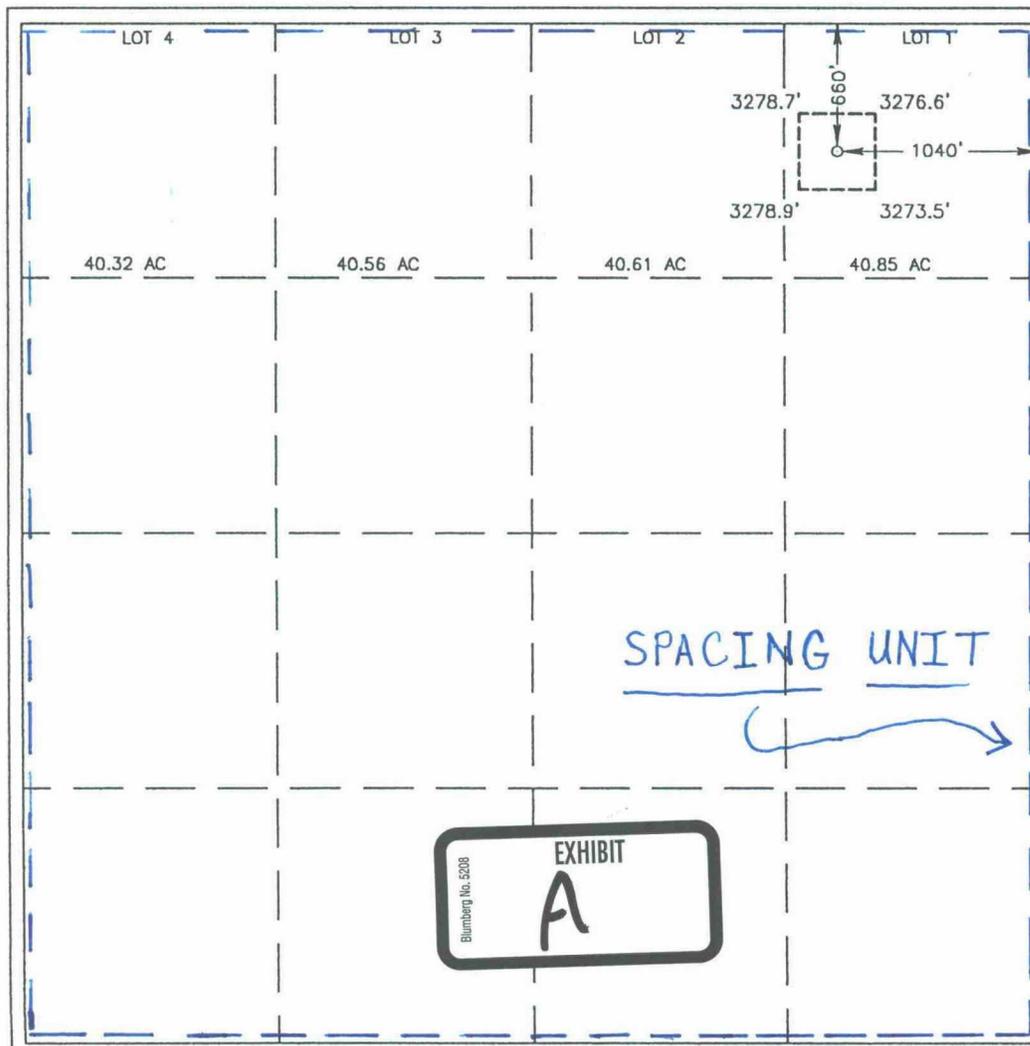
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	25-S	26-E		660	NORTH	1040	EAST	EDDY

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.
640	INFILL		

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Michael S Daugherty
Signature

MICHAEL S. DAUGHERTY
Printed Name

V P OPERATIONS
Title

3/27/02
Date

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 belief.

FEBRUARY 27, 2002
Date Surveyed

AWB
Signature & Seal of Professional Surveyor

Ronald J. Edson
Professional Surveyor

62.11.0159
Certificate No. RONALD J. EDSON 3239
GARY EDSON 12641

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE