

11/27/06 DATE IN	SUSPENSE	DAVID CATANACH ENGINEER	11/28/06 LOGGED IN	NSL TYPE	APP NO. PTD50633236632
---------------------	----------	----------------------------	-----------------------	-------------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



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.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504
 Print or Type Name

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

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

e-mail Address

2006-NOV 27 PM 2 06

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

2006 NOV 27 PM 2 06

November 27, 2006

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

<u>Well:</u>	Hightower State Unit Well No. 1
<u>Location:</u>	660 feet FNL & 1300 feet FEL
<u>Well unit:</u>	NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, Township 12 South, Range 33 East, N.M.P.M., Lea County, New Mexico

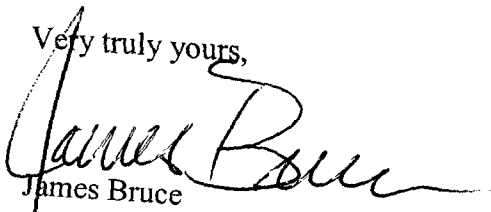
The well was drilled to a depth sufficient to test the Devonian formation (Bagley-Hightower Pool), and a non-standard 80 acre laydown unit and unorthodox location was approved by Division Administrative Order NSP-1898 (NSL). The well was not productive in the Devonian formation, and has been completed uphole in the Permo-Pennsylvanian formation (Hightower Permo-Pennsylvanian Pool), which is developed on statewide 40 acre spacing.

The NE $\frac{1}{4}$ of Section 27 is covered by State Lease V-7612, which has common ownership. Thus, the well does not encroach on any offset interest owner. Because there is no adversely affected offset owner, notice has not been given to anyone.

**APPLICANT ALSO REQUESTS THAT IT BE ALLOWED TO PRODUCE THE WELL
PENDING APPROVAL OF THE UNORTHODOX LOCATION.**

Please contact me if you need any further information regarding this application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Murchison Oil & Gas, Inc.