

**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. 13,317

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Murchison Oil & Gas, Inc. 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  
Post Office 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 the following described acreage in Section 2, Township 17 South, Range 28 East, NMPM, and in the following manner: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ , and the SW $\frac{1}{4}$  (the W $\frac{1}{2}$  equivalent) to form a standard 318.48-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Empire-Atoka Gas Pool and Undesignated Southeast Crow Flats-Morrow Gas Pool; Lots 3, 4, and the S $\frac{1}{2}$ NW $\frac{1}{4}$  (the NW $\frac{1}{4}$  equivalent) to form a standard 158.48-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and Lot 4 to form a standard 39.2 -acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Panda Bear State Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 4 of Section 2. 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.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES  
John Huckabay  
(landman)

EST. TIME  
15 min.

EXHIBITS  
(a) land plat  
(b) correspondence  
(c) AFE  
(d) affidavit of notice

OPPONENT

WITNESSES

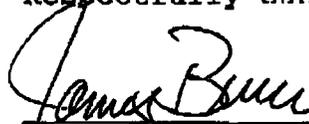
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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

Attorney for Murchison Oil &  
Gas, Inc.