MURCHISON OIL & GAS, INC.
MURCHISON PROPERTIES. INC.

March 13, 2001

Mr. Michael Stogner
State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM. 87505

**RE: UNORTHODOX LOCATION EXCEPTION** 

LINCOLN STATE COM #1

2030' FNL & 660' FEL, SEC. 24, T18S, R24E

EDDY CO., NM.

Dear Mr. Stogner:

The referenced well was drilled in 1978 at an orthodox location and completed in the Morrow formation. The well has remained on production since then, but has become uneconomic in the Morrow. We are attempting to recomplete the well in the Wolfcamp-Bursum from 6308' to 6650'.

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 as well as NM OCD Form 103 to perform the recompletion work which is conditionally approved. Since the well is no closer than 660 feet to an outer boundary, 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.

RECEIVED

JAN 2 0 2004

OCD-ARTESIA

Michael S. Daugherty
Vice President Operat

Vice President Operations

MSD/cb/Lincsc#1-OCD-UnorthLocExc.

CC:

Mr. Bryan Arrant-St. of New Mexico Oil Conservation Division – District II

811 S. 1<sup>st</sup> Street

Artesia, NM. 88210-2834

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

## State of New Mexico

Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION

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

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

1220 S. St. Francis Dr., Santa Fe, NM 87505									$\square$ AMENDED REPORT		
			WELL LO	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	Τ			
'API Number				<sup>1</sup> Pool Code		<sup>3</sup> Pool Name					
30-015-22447				82775		PENASCO DRAW PERMO PENN					
Property Code		<sup>5</sup> Property Name							'Well Number		
			LINCOLN STATE COM						1		
'OGRID №.		Operator Name							'Elevation		
015363		MURCHISON OIL & GAS, INC.							GL 3660'		
<sup>10</sup> Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	West line	County	
Н	24	18S	24E		2030	NORTH	660	EAS	T	EDDY	
<sup>11</sup> 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	
12 D. 31 - 4 - 3 4	13 Joint or	. T. GII T	Consolidation	C. 4. 15 O	rder No.						
" Dedicated Acres	Joint of	r inimi	Consolidation	Code O	raer No.						
320		-									

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 that the information contained herein is true and complete to the best of my knowledge and belief. 2030 MICHAEL V P OPERATIONS mdaugherty@jdmii.com 660 1/14/04 Date 18 SURVEYOR CERTIFICATION SPACING UNIT 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. RECEIVED .IAN 2 0 2004 Date of Survey Signature and Seal of Professional Surveyor: OCD-ARTESIA

Certificate Number

## ALL LOCATION AND ACREAGE DEDICATION FORT

All distances must be from the outer boundaries of the Section Mesa Petroleum Cor Lincoln State Com. Н 24 18 South 24 East Eddy Actual for tage Location of Well: 2030 660 North East feet from the line and Smunn . pve: ! lev. Freducing Formation UNDFISIONATED MURROW 3659.4 1 Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2 If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and rovalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? Il answer is "yes!" type of consolidation FORCE POOLING HEARING 15 ANDING Yes 52 No If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION NORTHERN NATURAL GAS YZ MESA PLIROLEUM Co. 1/2 I hereby certify that the information con-, L-4856 tained herein is true and complete to the best of my knowledge and belief. Hame Position Comp any - 660 Date MARATILON OIL 1/2 YATES PETROLEUM 1/2 STATE I hernby certify that the well location shown on this plat was platted from field 0558263 JAN 2 0 7004 Date Surveyed OCD-ARTESIA Feb. 28,1978

Registered Professional Engineer