



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 recomple 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 recomple 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.


Michael S. Daugherty
Vice President Operations

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

cc: ✓ Mr. Bryan Arrant-St. of New Mexico
Oil Conservation Division – District II
811 S. 1st Street
Artesia, NM. 88210-2834

ICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

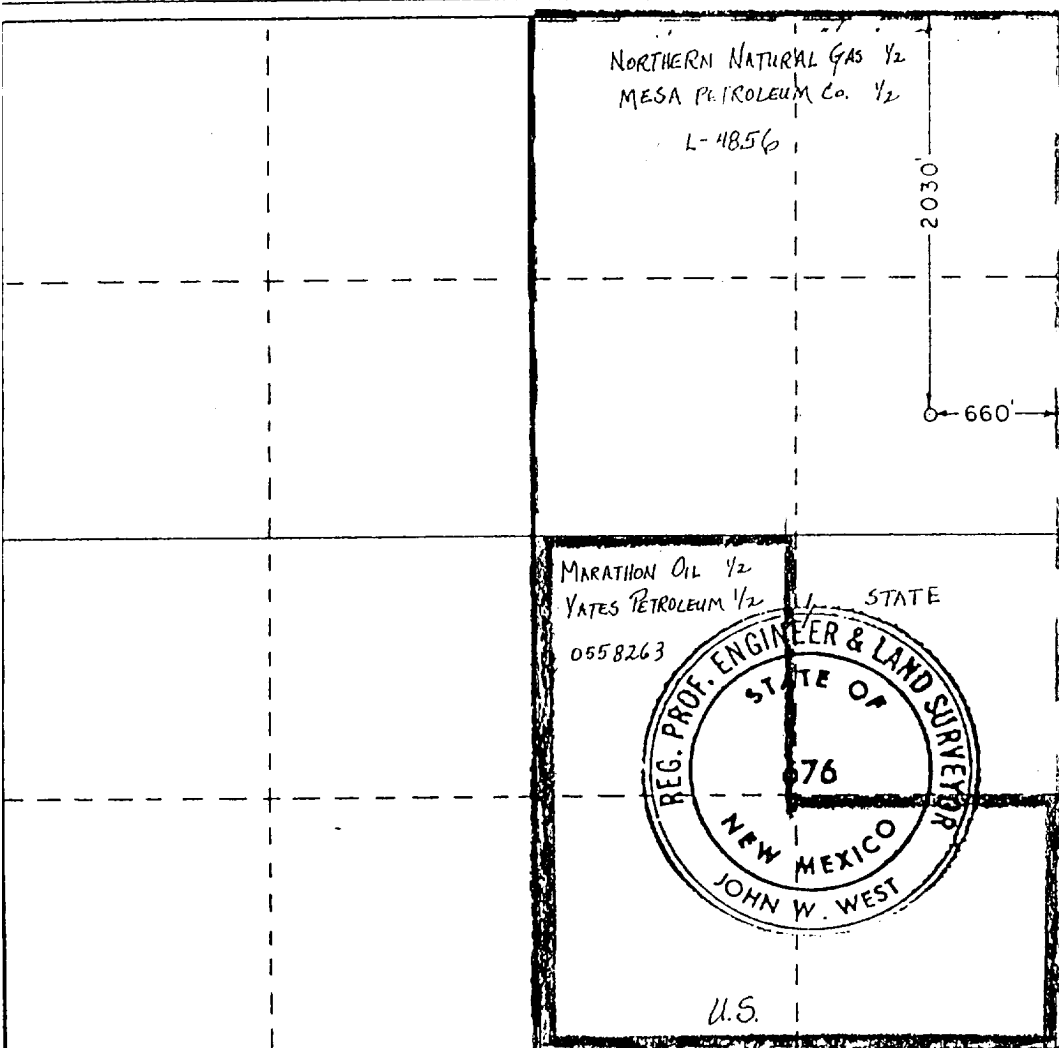
Mesa Petroleum Company			Lincoln State Com.			Well No. 1
Section: H	24	Township: 18 South	Range: 24 East	County: Eddy	RECEIVED MAR 3 1978	
Actual Well Location of Well:						
2030	feet from the	North	line and	660	feet from the	East
Ground Level: 3659.4	Producing Formation: MORROW		Pool: UNDESIGNATED		Dedicated Acreage: 320	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?

☐ Yes ☒ No If answer is "yes," type of consolidation FORCE POOLING HEARING IS PENDING

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

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

Name

Position

Company

Date

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.

Date Surveyed

Feb. 28, 1978

Registered Professional Engineer and/or Land Surveyor

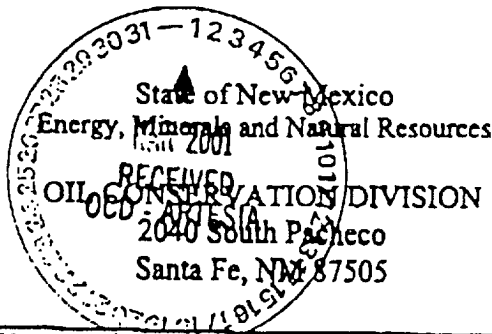
John W. West

Certificate No. John W. West

676

Donald L. Eide 3230

Submit 3 Copies To Appropriate District
Office
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



Form C-103
Revised March 25, 1999

WELL API NO. <u>30-015-12447</u>
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. <u>14856</u>
7. Lease Name or Unit Agreement Name: <u>LINCOLN STATE CO.</u>
8. Well No. <u>#1</u> <u>Indes. Pennac. Perme. Penn</u>
9. Pool name or Wildcat <u>Pennac. Draw Morrow</u>

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
Mitchison Oil & Gas Inc.

3. Address of Operator
1100 MIRA VISTA BLVD
PLANO, TX 75093-4698

4. Well Location
Sec 24, T-18S, R-24E
Unit Letter 11 660 feet from the EAST line and 2030 feet from the NORTH line
Section 24 Township 18S Range 24E NMPM County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☒	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	OTHER: ☐
OTHER: ☐			

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Abandoned Morrow perf's 8513' to 8,497' and 8430' to 8470'
w/ CIBP SET @ 8300' + capped w/ 35' cement
Perforate Wolfcamp 6920' to 6924, 6500 to 6908, 6885 to 6875
6627' to 6644', 6614' to 6622', 6601' to 6610', 6586' to 6590'
6556' to 6568', 6540' to 6550', 6526' to 6536', 6514' to 6518', 6464'
to 6470', 6356' to 6358', 6322' to 6326', 6262 to 6266'
TREAT Wolfcamp w/ 4000 gals acid, switch for cleanup + place
on production. Four point as required. See attached Procedure

NSL Required To Produce for Gas Well
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tommy Folsom TITLE Production Manager DATE 3/1/01

Type or print name Tommy Folsom Telephone No. 505-420-4372

(This space for State use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT H SUPERVISOR DATE 3/1/01

Conditions of approval, if any:

