

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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Oil Conservation Division

IN THE MATTER OF THE APPLICATION  
OF MURCHISON OIL & GAS, INC.  
FOR AN EXCEPTION TO FIELD RULES  
FOR THE WHITE CITY - PENNSYLVANIAN  
GAS POOL, EDDY COUNTY, NEW MEXICO

Case No. 11624

A P P L I C A T I O N

Murchison Oil & Gas, Inc., by its attorneys, Hinkle, Cox, Eaton, Coffield and Hensley, hereby makes application pursuant to New Mexico Statutes Ann. §§ 70-2-1 et. seq. (1978) and the New Mexico Oil Conservation Division rules and regulations promulgated in accordance therewith. Applicant seeks an order granting an exception to the existing field rules for the White City - Pennsylvanian Gas Pool, Eddy County, New Mexico, in order to authorize applicant to drill a third gas well in Section 2, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

In support of its application, Murchison Oil & Gas, Inc., states:

1. Applicant is the working interest owner and operator of two wells located in said Section 2, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. One of said wells is completed in the Atoka formation at an orthodox location, 1650 feet from the North line and 1650 feet from the East line of Section 2. The second well is completed in the Morrow formation and is located at an orthodox location, 1650 feet from the North line and 1650 feet from the West line of said Section 2.

2. Applicant proposes to drill a third well in said Section 2, dedicating all of said Section 2 to its Ogden State No. 3 well to be located at an orthodox location, 1650 feet from the South line and 1650 feet from the West line of said Section 2.

3. The existing rules for the White City - Pennsylvanian Gas Pool, in which said Section 2 is located, specify as part of Rule 2 applicable thereto that "there shall be no more than two producible wells on any one proration unit at one time."

4. Applicant's analysis of subsurface conditions in said Section 2 and analysis of the source from which production is being taken in the two existing wells in said Section 2 reveals that Applicant's proposed well would be completed in a gas bearing formation in which only one gas well is currently completed, as to said Section 2.

5. In order to obtain its just and equitable share of potential production underlying said Section 2, Applicant seeks an order of the Division granting an exception to the existing field rules for the White City - Pennsylvanian Gas Pool to permit the drilling of Applicant's proposed well described above in order to protect correlative rights and prevent waste.

6. Interest owners for the nine section area surrounding said Section 2 potentially have an interest in the exception to the existing field rules for which Applicant seeks an order. The names and addresses of all known operators for the nine section area surrounding said Section 22 are as follows:

AGS Oil & Gas Holding	2875 W. Oxford, Suite 3 Englewood, CO 80110
MW Petroleum Corporation	2000 Post Oak, Suite 100 Houston, TX 77056-4400
W. Wesley Perry	214 West Texas, Suite 900 Midland, TX 79701
Redstone Oil & Gas Company	Suite 1050 8235 Douglas Avenue Dallas, TX 75225
Loro Corporation	Post Office Box 10886 Midland, TX 79702
Unit Petroleum Company	1000 Kensington Tower 7130 S. Lewis Post Office Box 702500 Tulsa, OK 74170-2500
Whiting Petroleum Corporation	2 United Bank Center 1700 Broadway, Suite 2300 Denver, CO 80290-2301
Bargo Energy Company	ATTN: Dottie Wainwright 700 Louisiana, Suite 4650 Houston, TX 77002
Margaret Ann H Bond & Joseph S. Bond	1060 Edgewater Drive, N.W. Atlanta, GA 30328-3512


Chevron USA, Inc.	Post Office Box 1150 Midland, TX 79702
Lee Wayne Moore, Sole Trustee	403 N. Marienfeld Street Midland, TX 79701-4397
Lorraine M. Smith	29420 Summit Ridge Fair Oaks Ranch Fair Oaks, TX 78015
Beverly H. Strong	709 Ocean Shore Blvd. Ormond Beach, FL 32176
Pearson-Sibert Oil Co. of Texas	ATTN: Marilene Petrinovich 136 El Camino, Suite 216 Beverly Hills, CA 90212
Matador Petroleum Co.	Suite 158, Pecan Creek 8340 Meadow Road Dallas, TX 75231
Bill & Patsy Rich	5103 Old Cavern Road Carlsbad, NM 88220-9168
Enserch Exploration, Inc.	ATTN: J.D. Operations Acctg-380W Post Office Box 2649 Dallas, TX 75221-2649
American National Petroleum	Post Office Box 27725 Houston, TX 77227

7. In accordance with the Division's notice requirements, a copy of this Application has been sent to the parties in paragraph 6 above, notifying them of this case and of Applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for October 17, 1996.

**WHEREFORE**, Murchison Oil & Gas, Inc. requests that this application be set for hearing on October 17, 1996 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order granting to Applicant an exception to the existing field rules for the White City - Pennsylvanian Gas Pool, Eddy County, New Mexico, so that Applicant is permitted to drill its new gas well to test the formations constituting the Pennsylvanian formation at a location 1650 feet from the South line and 1650 feet from the West line of Section 2, Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and for such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
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Conrad E. Coffield  
Post Office Box 2068  
Santa Fe, New Mexico 87505  
(505) 982-4554

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(FOR ADVERTISEMENT)

Case 11629: Application of Murchison Oil & Gas, Inc. for an exception to the existing field rules for the White City - Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant seeks an Order permitting the drilling of a third well at an orthodox location in Section 2, Township 25 South, Range 26 East, N.M.P.M. Eddy County, New Mexico, with Applicant dedicating all of Section 2 to the well and the well to test the formations included within the Pennsylvanian Gas Pool. Said Pool is located approximately eighteen (18) miles south of Carlsbad, New Mexico.

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