

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

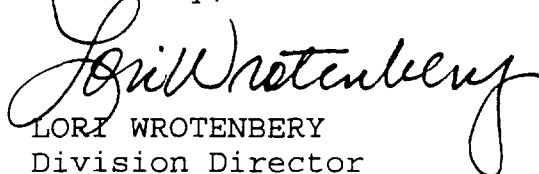
January 2, 2001

Mr. James Bruce
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504

Dear Mr. Bruce:

Based upon the reasons stated in your letter of December 26, 2000, and in accordance with the provisions of Division Order No R-11463, Murchison Oil & Gas, Inc. is hereby granted an extension of time until January 31, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: Case No. 12491
OCD - Artesia

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

December 26, 2000

Hand Delivered

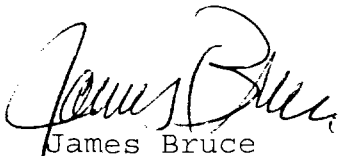
Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Order No. R-11463
Request for extension of well commencement deadline

Dear Ms. Wrotenbery:

The above order requires Murchison Oil & Gas, Inc. ("Murchison") to commence drilling the subject well by December 31, 2000. Murchison has built the well location, and has contracted for a drilling rig. However, the rig has not yet completed drilling on its current location, and may not be able to move to Murchison's location by December 31st. As a result, Murchison requests a 30 day extension of the well commencement deadline in the above order. Thank you for your consideration of this request.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Murchison
Oil & Gas, Inc.