

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies 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 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	<div style="text-align: right;"> Form C-105 Revised June 10, 2003 </div> NSL-4570 WELL API NO. 30-015-22447 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. L4856
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input checked="" type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name LINCOLN STATE COM <div style="text-align: right; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: right; font-weight: bold; font-size: 0.8em;">JAN 20 2004</div>
2. Name of Operator MURCHISON OIL & GAS, INC.	8. Well No. 1 <div style="text-align: right; font-weight: bold; font-size: 1.2em;">OCD-ARTESIA</div>
3. Address of Operator 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698	9. Pool name or Wildcat PENASCO DRAW PERMO PENN

4. Well Location

Unit Letter H : 2030 Feet From The NORTH Line and 660 Feet From The EAST Line

Section 24 Township 18S Range 24E NMPM County EDDY

10. Date Spudded 3/19/78	11. Date T.D. Reached 8/14/78	12. Date Compl. (Ready to Prod.) 3/20/01	13. Elevations (DF& RKB, RT, GR, etc.) 3660 GL	14. Elev. Casinghead 3660'
15. Total Depth 8638'	16. Plug Back T.D. 6800'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By ROTARY TOOLS	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 6262' - 6644'				20. Was Directional Survey Made NO
21. Type Electric and Other Logs Run NO NEW LOGS				22. Was Well Cored NO

23. **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"		370'	17-1/2"	400 SX	
8-5/8"		1100'	12-1/4"	400 SX + 200 SX	
4-1/2"		8638'	7-7/8"	750 SX	

24. **LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. **TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2-3/8"	6167'	6167'

26. Perforation record (interval, size, and number)
6,262' - 6,644' 178 HOLES

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6,262' - 6,644'	3500 GALS 20% HCL

28. **PRODUCTION**

Date First Production 3/29/01	Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) FLOWING	Well Status (<i>Prod. or Shut-in</i>) PRODUCING					
Date of Test 3/29/01	Hours Tested 24	Choke Size 16/64	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 113	Water - Bbl. 0	Gas - Oil Ratio N/A
Flow Tubing Press. 315	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 113	Water - Bbl. 0	Oil Gravity - API - (<i>Corr.</i>) N/A	

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)
SOLD

Test Witnessed By
TOMMY FOLSOM

30. List Attachments
C-102, C-104, ADMIN. ORDER NSL-4570

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature *Michael Daugherty* Printed Name MICHAEL S. DAUGHERTY Title V P OPERATIONS Date 1/14/04

E-mail Address mdaugherty@dmii.com

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-22447		Pool Code 82775	Pool Name PENASCO DRAW PERMO PENN
Property Code	Property Name LINCOLN STATE COM		Well Number 1
OGRID No. 015363	Operator Name MURCHISON OIL & GAS, INC.		Elevation GL 3660'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	24	18S	24E		2030	NORTH	660	EAST	EDDY

¹¹ 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				
<table border="1"> <tr> <td>Dedicated Acres 320</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> </table>										Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.										

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

16	<p>RECEIVED JAN 20 2004 OCD-ARTESIA</p>	<p>SPACING UNIT →</p>	<p>2030'</p>	<p>660'</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Michael S. Daugherty</i> Signature MICHAEL S. DAUGHERTY Printed Name V P OPERATIONS mdaugherty@jcmii.com Title and E-mail Address 1/14/04 Date</p>
			<p>←</p>		<p>¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

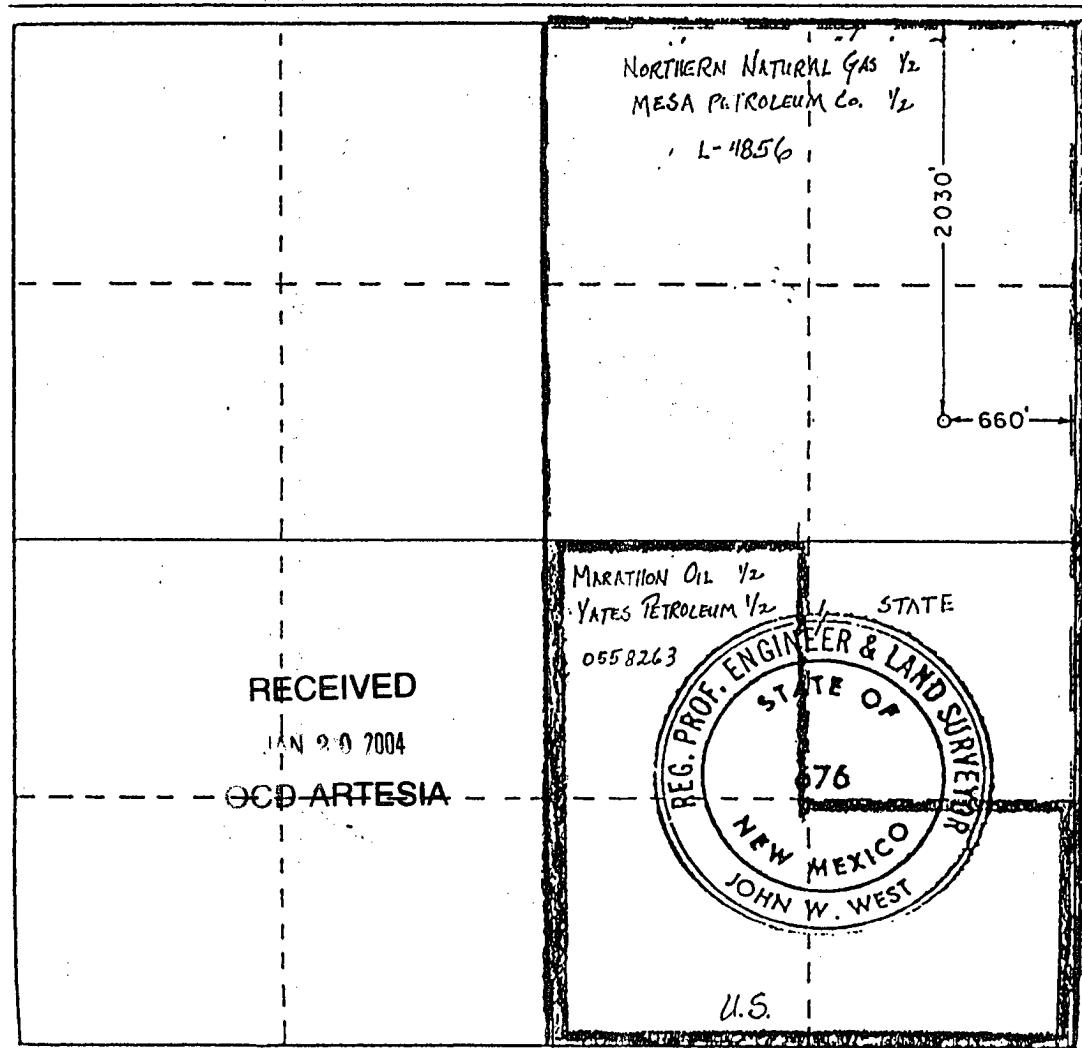
Mesa Petroleum Company		Lincoln State Com.		RECEIVED MAR 3 1978	
Section H	Section 24	Township 18 South	Range 24 East	County Eddy	
Actual Well Location of Well:					
2030	feet from the	North	line and	660	feet from the East
Ground level Elev. 3659.4	Producing Formation MORROW		Prod. UNDESIGNATED	Dedicated Acreage: 320	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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	<i>John W. West</i>
Certificate No.	John W. West