

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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

Form C-101
March 4, 2004

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address MURCHISON OIL & GAS, INC. 1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698		² OGRID Number 015363
³ Property Code	⁴ Property Name PANDA BEAR STATE COM	⁵ API Number 30 - 015 - 33436
		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	2	17-S	28-E		1300	NORTH	1123	WEST	EDDY

⁸ Proposed Bottom Hole Location If Different From S

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet
⁹ Proposed Pool 1 Crow Flats ; Morrow, SE							

Cement to cover all oil, gas and
water bearing zones.

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	17-S	28-E						EDDY
Depth to ground water 200' E			Distance from nearest fresh water well 4000' E			Distance from nearest surface water + 1 MILE			
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary ROTARY		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 3680'	
¹⁶ Multiple N/A		¹⁷ Proposed Depth 10,500'		¹⁸ Formation MORROW		¹⁹ Contractor UNKNOWN		²⁰ Spud Date 8/1/04	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	61 #/FT	300'	470 SX	SURFACE
12-1/4"	9-5/8"	47 #/FT	2150'	600 SX	SURFACE
7-7/8"	5-1/2"	17 #/FT	10500'	640 SX	EST TOC @6500

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

DRILL, CASE & COMPLETE WELL IN MORROW FORMATION

BOP'S INCLUDE 1) HYDRILL DOUBLE RAM 11 X 3000 PSI

2) CHOKE MANIFOLD 4" X 5000 PSI FLANGED CONNECTIONS

3) SIX STATION ACCUMULATOR CLOSING UNIT W/ REMOTE CONTROL

RECEIVED

APR 26 2004

OCED-ARTESIA

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Signature:

Michael S. Daugherty

Printed name: MICHAEL S. DAUGHERTY

Title: VICE PRESIDENT OPERATIONS

E-mail Address: mdaugherty@jdmii.com

Date: 4/23/04

Phone: (972) 931-0700

OIL CONSERVATION DIVISION

Approved by:

Jim W. Brown

District Supervisor

Title:

Approval Date: JUN 03 2004

Expiration Date: JUN 03 2005

Conditions of Approval:

Attached ☐

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102

Revised March 17, 1999
Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name PANDA BEAR STATE COM	Well Number 1
OGRID No. 015363	Operation Name MURCHISON OIL & GAS, INC.	Elevation 3680

Surface Location

UL or Lot No. LOT 4	Section 2	Township 17-S	Range 28-E	Lot Idn.	Feet from the 1300	North/South line NORTH	Feet from the 1123	East/West line WEST	County EDDY
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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
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.		
	Signature <i>Michael S. Daugherty</i>		
	Printed Name MICHAEL S. DAUGHERTY		
	Title VICE PRESIDENT OPERATIONS		
Date 4/13/04		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 KNOWLEDGE AND BELIEF.	
Date of Survey APRIL 12, 2004		Signature and Seal of Professional Surveyor	
		NM PROFESSIONAL SURVEYOR Certificate Number 5412	

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State of New Mexico
Energy Minerals and Natural Resources
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MAY 24 2004 Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Murchison Oil & Gas, Inc. Telephone: 931-0700 (972) e-mail address: mdaugherty@jdmii.cc
Address: 1100 Mira Vista Blvd., Plano, TX. 75093-4698
Facility or well name: Panda Bear SC #1 API #: U/L or Qtr/Qtr NW/NWec 2 T17S R28W
County: Eddy Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil / Woven Clay <input type="checkbox"/> Volume <u>20000</u> bbl Approximate	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u> </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>Estimate +100' Based on local rancher</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more <u>XX</u> (0 points) <u>0</u>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No <u>XX</u> (0 points) <u>0</u>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more <u>XX</u> (0 points) <u>0</u>
	Ranking Score (Total Points) <u>0</u>

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 5/19/04

Printed Name/Title Michael S. Daugherty, VP Oper. Signature Michael S. Daugherty

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

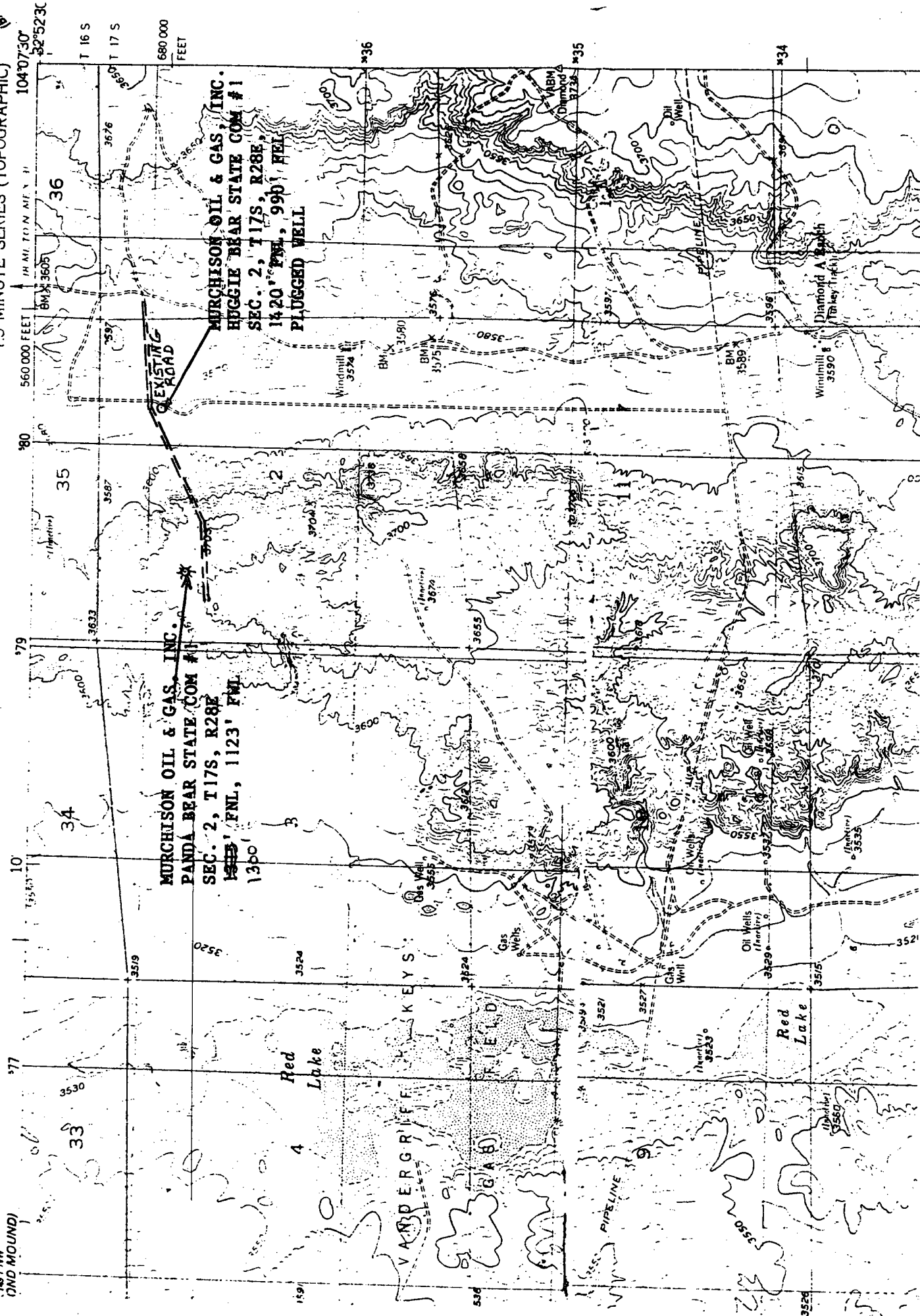
Approval: 6-1-04
Date:

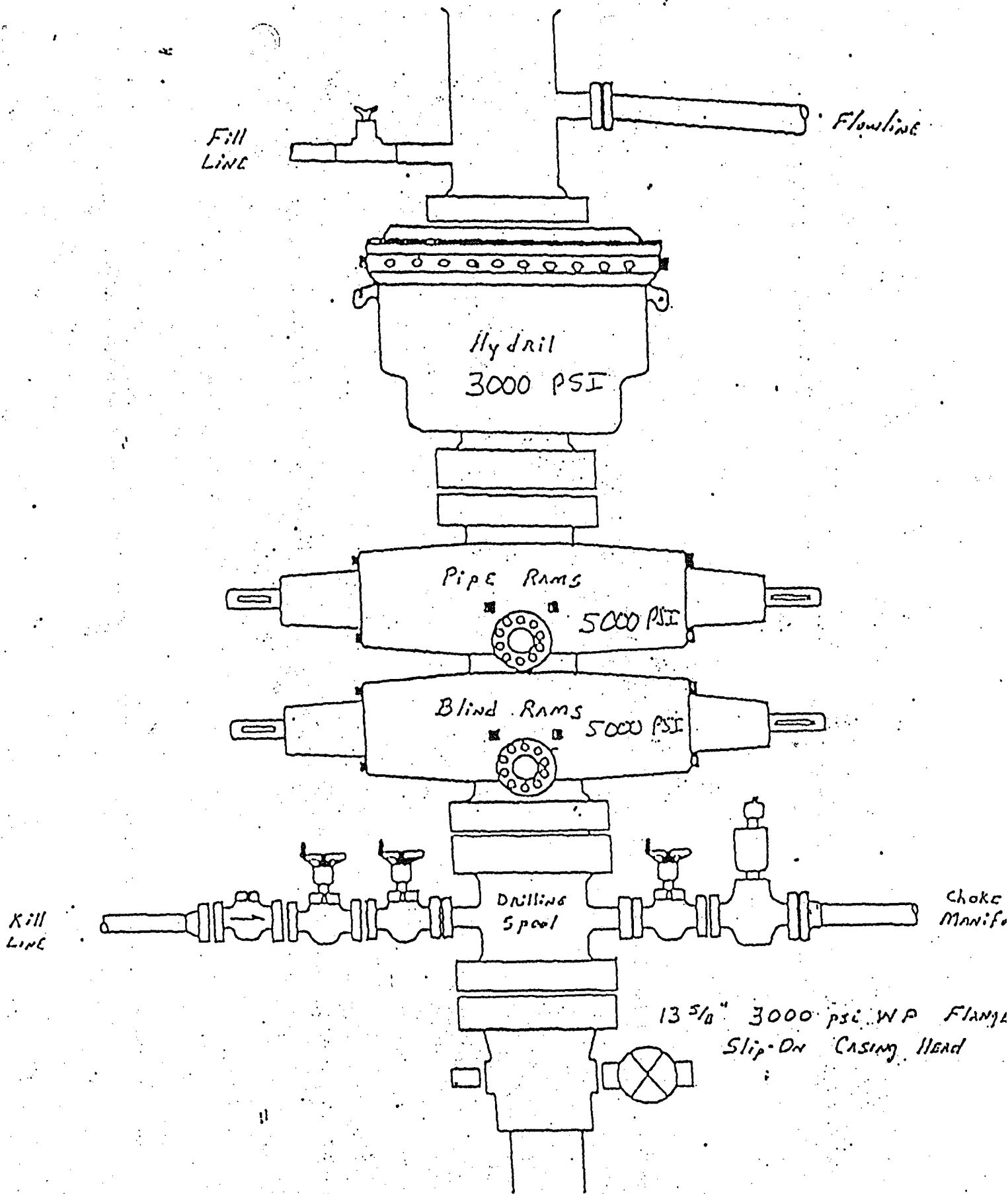
Printed Name/Title

Signature

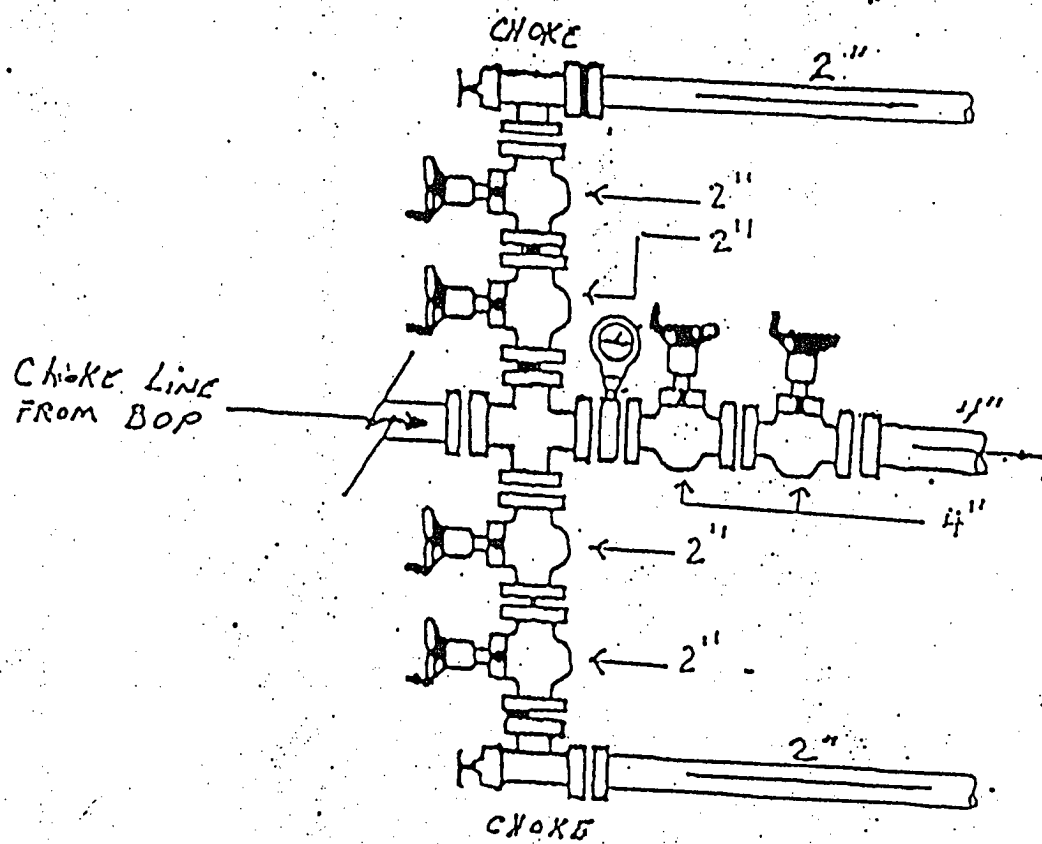
NEW MEXICO-EDDY CO.

7.5 MINUTE SERIES (TOPOGRAPHIC)





PANDA BEAR STATE COM #1
1300' FNL & 1123' FWL
SEC. 2, T17S, R28E
EDDY CO., NM.



PANDA BEAR STATE COM #1
 1300' FNL & 1123' FWL
 SEC. 2, T17S, R28E
 EDDY CO., NM.