

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30-015-34265</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator MURCHISON OIL &amp; GAS, INC.</p>		<p>6. State Oil &amp; Gas Lease No. L-3756</p>
<p>3. Address of Operator 1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698</p>		<p>7. Lease Name or Unit Agreement Name RED TANK ST COM</p>
<p>4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>35</u> Township <u>18S</u> Range <u>24E</u> NMPM County <u>EDDY</u></p>		<p>8. Well Number <u>1</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number <u>015363</u></p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		<p>10. Pool name or Wildcat PENASCO DRAW, MORROW</p>
<p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>          TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>          PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p>		<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>          COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>          CASING/CEMENT JOB <input checked="" type="checkbox"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: <input type="checkbox"/></p>	

13. 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.

Drill 12-1/4" hole from bottom of surface casing set at 382' to a depth of 1163'. Lost all returns @ 492' and drilled dry to 1163'. Run 9-5/8" casing as follows:

1	Float Shoe	1'
1 JT	9-5/8" 43.5 #/FT N-80 LT&C	31'
	Float Collar	1'
36 JTS	9-5/8" 43.5 #/FT N-80 LT&C	1130'

Set casing @ 1163'. Cement w/ 180 SXS Fixotropic + 1% CACL + 1/4 #/SX Celloflake + 400 SXS Class "C" 35/65 + 2% CACL + 25 #/SX Celloflake + 5 #/SX LCM followed by 200 SXS Class "C" + 2% CACL 14.8 PPG Bump plug at 24:05 HRS and floats held. No cement to surface and no returns. Tag top of cement @ 512' with 1" tubing. Pump 150 SXS Class "C" neat through 1" and pull out WOC 3 HRS. Tag top of cement w/ 1" at 492'. TIH w/ 1" and pump 300 SXS Class "C" neat. TOH w/ 1" and WOC 3 HRS. TIH w/ 1" and tag TOC @ 325'. TIH w/ 1" and cement 150 SXS Class "C". Circulate 25 SXS to surface. WOC 4 HRS. ND BOP set slips cut casing. LD 13-5/8" BOP. Install "B" section and test to 3000 PSI. NU 11" 5K BOP. Test BOP, upper and lower Kelly valves, TIW to 5000 PSI. OK. Drill cement and float collar. Test casing to 3000 PSI. WOC total 30 HRS. Drill cement and float shoe and resume drilling 8-1/2" hole.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 ☐.

SIGNATURE Michael S. Daugherty TITLE Vice President Operations DATE 12/5/2005

Type or print name MICHAEL S. DAUGHERTY E-mail address: mdaugherty@jdmii.com Telephone No. 972-931-0700  
For State Use Only

APPROVED BY: FOR RECORDS ONLY TITLE \_\_\_\_\_ DATE DEC 12 2005  
Conditions of Approval (if any): \_\_\_\_\_