

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

OCD - Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM120349
2. Name of Operator MURCHISON OIL & GAS INC		6. If Indian, Allottee or Tribe Name
Contact: CINDY COTTRELL E-Mail: ccottrell@jdmii.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1100 MIRA VISTA BLVD PLANO, TX 75093-4698	3b. Phone No. (include area code) Ph: 972-931-0700 Ext: 109 Fx: 972-931-0701	8. Well Name and No. FROSTY FEDERAL COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T16S R27E SENE 2285FNL 330FEL 32.89440 N Lat, 104.24206 W Lon		9. API Well No. 30-015-37003-00-X1
		10. Field and Pool, or Exploratory EMPIRE
		11. County or Parish, and State EDDY COUNTY, NM

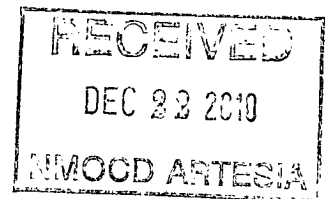
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

11/28/10 - Ran 2-7/8 in. tubing & 7 in. casing as follows:

1 2-7/8 in. bullnose shoe - 1 ft.
6 jts 2-7/8 in. 6.5 lb L-80 steel tbg - 190 ft.
22 jts 2-7/8 in. 1.27 lb SP8-2K fiberglass tbg - 645 ft.
1 aluminum XO 2-7/8 in. EUE x 7 in. LTC - 1 ft.
1 7 in. collar HCP-110 - 1 ft.
1 7 in. float collar - 1 ft.
1 jt 7 in. 26 lb HCP-110 - 42 ft.
1 7 in. float collar - 1 ft.
130 jts 7 in. 26 lb HCP-110 - 5558 ft.
Total 6440 ft.



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #98546 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 12/08/2010 (11KMS0361SE)	
Name (Printed/Typed) ARNOLD NALL	Title VICE PRESIDENT OPERATIONS
Signature (Electronic Submission)	Date 12/03/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 12/18/2010
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Carlsbad 2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Handwritten initials and signature

Additional data for EC transaction #98546 that would not fit on the form

32. Additional remarks, continued

Set 7 in. casing at 5598 ft. with bottom of 2-7/8 in. tubing stinger at 6435 ft. Cement: lead w/800 sxs Econocem-HLC w/3% salt + 5 lb/sx Gilsonite mixed at 12.7 PPG, 1.91 yield, 9.82 GPS water; tail w/500 sxs Halcem-H + 0.8% CFR-3 mixed at 17 PPG, 1.0 yield, 3.89 GPS water. Bump plug w/2150 psi. Circ 300 sxs to catch tank. Float equipment held. Nipple down BOP, set slips & cut off 7 in. csg. Install wellhead "B" section. Nipple up BOP.

11/29/10 - Test blind rams, pipe rams & choke to 250 psi low & 5000 psi high. Test annular to 250 psi low & 3000 psi high. Held OK. WOC 18 hrs. Drill cement & float collar from 5545 ft. to 5560 ft. Test csg to 1200 psi - OK. Drill cement, float collar & XO from 5560 ft. to 5675 ft. Trip out of hole, pick up 6-1/8 in. bit & curve BHA.

11/30/10 - Trip in hole & resume drilling formation at 5675 ft.