

| District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462 | State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 | Form C-103 August 1, 2011 Permit 188612 WELL API NUMBER 30-025-41710 5. Indicate Type of Lease S 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name JACKSON UNIT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---|------------------------------|-----------------------------|------------------|--|---|--|---------------------------------------|--|--|--|---|---|---|--|-----------|--------------|------|---|----|--------|------|------|---|------|-----|--|-------|--|------|---|--|----------|------|----------|-------|-------|----|------|----|------|------|--|---|--|------|---|--|----------|------|----------|-----|-----|----|-------|------|-------|------|--|---|--|------|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (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.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Type of Well: O | | 8. Well Number 028H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Name of Operator MURCHISON OIL & GAS INC | | 9. OGRID Number 15363 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Address of Operator Legacy Tower One, 7250 Dallas Pkwy Ste 1400, Plano, TX 75024 | | 10. Pool name or Wildcat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Well Location Unit Letter <u>N</u> : <u>200</u> feet from the <u>S</u> line and feet <u>2290</u> from the <u>W</u> line Section <u>21</u> Township <u>24S</u> Range <u>33E</u> NMPM County <u>Lea</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3527 GR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table> | | | NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | | Other: _____ | | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other: _____ | | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. 5/1/14 TD 8.5" hole @ 15,500'; 5/6/14 Ran 5.5" 17# P-110 csg from surface to 15492'; 5/9/14 Cmt w/1400 sx Class H; tail w/915 sx Class H; did not circ to surface. Tested csg to 1500 psi & held 30 min; OK. Released rig at 20:00 hrs. 4/8/2014 Spudded well. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Casing and Cement Program <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>04/10/14</td> <td>Surf</td> <td>FreshWater</td> <td>16</td> <td>13.375</td> <td>54.5</td> <td>J-55</td> <td>0</td> <td>1235</td> <td>710</td> <td></td> <td>H & C</td> <td></td> <td>1500</td> <td>0</td> <td></td> </tr> <tr> <td>04/16/14</td> <td>Int1</td> <td>CutBrine</td> <td>12.25</td> <td>9.625</td> <td>40</td> <td>L-80</td> <td>10</td> <td>5135</td> <td>2420</td> <td></td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td></td> </tr> <tr> <td>05/08/14</td> <td>Prod</td> <td>CutBrine</td> <td>8.5</td> <td>5.5</td> <td>17</td> <td>P-110</td> <td>1825</td> <td>15492</td> <td>2315</td> <td></td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td></td> </tr> </tbody> </table> | | | Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole | 04/10/14 | Surf | FreshWater | 16 | 13.375 | 54.5 | J-55 | 0 | 1235 | 710 | | H & C | | 1500 | 0 | | 04/16/14 | Int1 | CutBrine | 12.25 | 9.625 | 40 | L-80 | 10 | 5135 | 2420 | | C | | 1500 | 0 | | 05/08/14 | Prod | CutBrine | 8.5 | 5.5 | 17 | P-110 | 1825 | 15492 | 2315 | | C | | 1500 | 0 | |
| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 04/10/14 | Surf | FreshWater | 16 | 13.375 | 54.5 | J-55 | 0 | 1235 | 710 | | H & C | | 1500 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 04/16/14 | Int1 | CutBrine | 12.25 | 9.625 | 40 | L-80 | 10 | 5135 | 2420 | | C | | 1500 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 05/08/14 | Prod | CutBrine | 8.5 | 5.5 | 17 | P-110 | 1825 | 15492 | 2315 | | C | | 1500 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>COO</u></td> <td>DATE</td> <td><u>5/27/2014</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Michael Daugherty</u></td> <td>E-mail address</td> <td><u>ccottrell@jdmii.com</u></td> <td>Telephone No.</td> <td><u>972-931-0700</u></td> </tr> </table> | | | SIGNATURE | <u>Electronically Signed</u> | TITLE | <u>COO</u> | DATE | <u>5/27/2014</u> | Type or print name | <u>Michael Daugherty</u> | E-mail address | <u>ccottrell@jdmii.com</u> | Telephone No. | <u>972-931-0700</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SIGNATURE | <u>Electronically Signed</u> | TITLE | <u>COO</u> | DATE | <u>5/27/2014</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type or print name | <u>Michael Daugherty</u> | E-mail address | <u>ccottrell@jdmii.com</u> | Telephone No. | <u>972-931-0700</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For State Use Only: <table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Paul Kautz</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>5/29/2014 7:57:05 AM</u></td> </tr> </table> | | | APPROVED BY: | <u>Paul Kautz</u> | TITLE | <u>Geologist</u> | DATE | <u>5/29/2014 7:57:05 AM</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| APPROVED BY: | <u>Paul Kautz</u> | TITLE | <u>Geologist</u> | DATE | <u>5/29/2014 7:57:05 AM</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Comments
Permit 186612

DRILLING COMMENTS

| | |
|---|--------------------------|
| Operator: MURCHISON OIL & GAS INC Legacy Tower One Plano, TX 75024 | OGRID: 15363 |
| | Permit Number: 186612 |
| | Permit Type: Drilling |

Comments

| Created By | Comment | Comment Date |
|---------------------------------------|---------|--------------|
| There are no Comments for this Permit | | |