District I 1625 N. French Dr., Hobbs, NM 88240BBS OCD District II

1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 874 0 5 2013

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

State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-144 CLEZ July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinance

environment. Nor does approval reneve the operator of its responsionity to comply with any other applicable governmental authority's rules, regulations or ordinances.						
Operator: Murchison Oil & Gas, Inc. OGRID #: 15363						
Address: 1100 Mira Vista Boulevard, Plano, Texas 75093-4698						
Facility or well name: JACKSON UNIT 24H						
API Number: 30 025-41093 OCD Permit Number: \$\Psi 1-6006						
U/L or Qtr/Qtr A Section 22 Township 24S Range 33E County: LEA						
Center of Proposed Design: Latitude 32°11'47.065" N Longitude 103°33'34.246" W NAD: 1927 X 1983						
Surface Owner: Federal State Private Tribal Trust or Indian Allotment						
Closed-loop System: Subsection H of 19.15.17.11 NMAC						
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A Above Ground Steel Tanks or Haul-off Bins						
3.						
Signs: Subsection C of 19.15.17.11 NMAC						
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers						
☑ Signed in compliance with 19.15.3.103 NMAC						
4. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC						
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are						
attached. Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC						
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC						
Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC						
Previously Approved Design (attach copy of design) API Number:						
Previously Approved Operating and Maintenance Plan API Number:						
s. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)						
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.						
Disposal Facility Name: R360 Disposal Facility Permit Number: R9166/NM-01-0006						
Disposal Facility Name: GMI Disposal Facility Permit Number: 711-019-001/NM-01-0019						
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations? Yes (If yes, please provide the information below) No						
Required for impacted areas which will not be used for future service and operations:						
Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19,15,17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19,15,17,13 NMAC						
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC						

6. Operator Application Certification:					
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.					
Name (Print): Jack Rankin	Title: VP Operations - Murchison Oil & Gas, Inc.				
Signature: Just N	Date: 5 April '(3				
e-mail address: jrankin@jdmii.com Telephone: (972) 931-0700					
7. OCD Approval: Permit Application (including closure plan) Closure Plan					
OCD Representative Signature:	Approval Date: 06/05/13				
Petroleum Engineer Title:	Approval Date: 04/05/13 OCD Permit Number: 06006				
8. Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.					
	Closure Completion Date:				
5. Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.					
Disposal Facility Name:	Disposal Facility Permit Number:				
Disposal Facility Name:	Disposal Facility Permit Number:				
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below) No					
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	5:				
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure repbelief. I also certify that the closure complies with all applicable closure requirement					
Name (Print):	Title:				
Signature:	Date:				
o-mail address:	Telenhone				

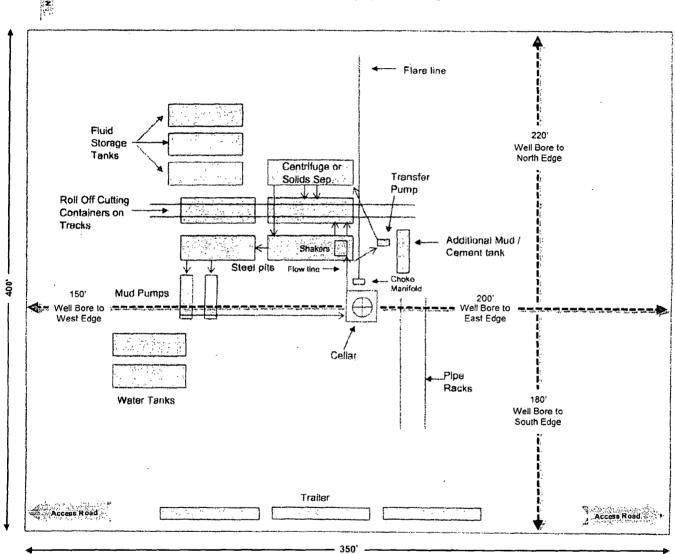
Murchison Oil & Gas, Inc. JACKSON UNIT 24H

200' FNL & 970' FEL Sec. 22, T24S, R33E Lea County, NM

CLOSED-LOOP OPERATING AND MAINTENANCE PLAN

- All drilling fluid circulated over shaker(s) with cuttings discharged into roll-off container.
- Fluid and fines below shaker(s) are circulated with transfer pump through centrifuge(s) or solids separator with cuttings and fines discharged into roll-off container.
- Fluid is continuously re-circulated through equipment with polymer added to aid separation of cutting fines.
- Roll-off containers are lined and de-watered with fluids re-circulated into system.
- Additional tank is used to capture unused drilling fluid or cement returns from casing jobs.
- This equipment will be maintained 24 hours/day by solids control personnel and/or rig crews that stay on location.
- Cuttings will be hauled to one of the following depending upon which rig is available to drill this well:
 - o. R360 Permit Number R9166 / NM-01-0006
 - o GMI Permit Number 711-019-001 / NM-01-0019

Jackson Unit 24H Closed Loop Equipment Diagram



District.1
1025 N. French Dr., Hobbs, NM 83240
Phone; (575) 393-6161 Fax: (575) 393-0720
District.II
811 S. Firat St., Artesia, NM 88210
Phone; (575) 748-1283 Fax: (575) 748-9720
District.III
1000 Ro. Diazzes Road, Aztec, NM 87410
Phone; (505) 334-6178 Fax. (505) 434-6170
District.IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone; (505) 476-3400 Fax: (505) 476-3402

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 August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	² Paul Code 96674	³ Pool Name Triple X, Bone Spring, West		
⁴ Property Code 8127	JACKSON UNIT		* Well Number	
OGRID No.	Operator Name.		⁹ Elevation	
15363	MURCHISON OIL	3539.3		

" Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 200 SOUTH 0 22 24 S 33 E 2435 **EAST** LEA "Bottom Hole Location If Different From Surface UL or lot no. Feet from the North/South line Feet from the East/West line Section Township Range County

B 22 24 S 33 E 330 NORTH 2290 EAST LEA

12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 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.

	N89 38'39"E	2639.39 FT	N89'38'39"E	2639.39 FT		"OPERATOR CERTIFICATION
	NW CORNER SEC. 22	N/4 CORNER SEC. 22	BOTTOM OF HOLE			I hereby certify that the information contained herein is true and complete
	COMPUTED NMDOT HWY 128 ROW MAP	COMPUTED	O OF HOLE	2290'		to the best of my knowledge and belief, and that this organization either
		l nod	T	NE CORNER SEC. 22 COMPUTED NMDOT		owns a working interest or unleasted mineral inverest in the land including the proposed bottom hole location or has a right to drill this well at this
18			TOM OF HOLE = 32'12'34.042"N	, HWY 128 ROW MAP	S00.	location pursuant to a contract with an owner of such a mineral or working
0.2		LONG.	= 103'33'32.591"W	. 1	.25	interest, or to a valentary pooling for timent of a computary proling
N00:24'28"W		1		<u> </u>	54	order hatriofore huered by He Afrison.
\$		+			L.	11/10 h n. 0 1/1/11/11/11/11. 4/4/13
26		NOTE:	ORDINATES ARE SHOWN	1	2637	Signature Date
2639.66		USING THE NORTH AMERICAN	DATUM OF 1983 (NAD83)	i i	7.95	Michael S. Daugherty, COO
6		(NAD83) COORDINATES MODI	VEXICO STATE PLANE EAST	i l	5 F1	Printed Name
-						mdaugherty@jdmii.com
		l i		!		
	W/4 CORNER SEC. 22			E/4 CORNER SEC. 22		E-mail Address
	LAT: =-32-12-11-2-12-N - LONG. = 103-34-07.372"W	-		- LAT -= -32+2'1+.177"N LONG. = 103'33'05.935"W		RELIDIVENOD CERTIFICATION
		!				"SURVEYOR CERTIFICATION I hereby certify that the well location shown on this
		!	!	1		plat was plotted from field notes of actual surveys
ĕ		1 (•	<u>'</u>	S00'2	
N00'23		:		·	727	made by me or under my supervision, and that the
5					32	same is true and correct to the best of my belief.
₹	<u> </u>			₁	ri 2	MARCH 26, 2013
264			N UNIT #24H . = 3539.3'	1	639	Date of Survey.
2640.18		LAT. = 32'1	1'47.065"N (NAD83)	1	70	1/3/1/27/27
S		LONG. =	103'33'34.246"W	1	7	All was a
-		1	SURFACE	SE CORNER SEC. 22 LAT. = 32'11'45.061"N		Trank truming
j	SW CORNER SEC. 22	S/4 CORNER SEC. 22		LONG. = 103'33'05.912"W		Signature and Sea of Professional Surveyor:
	LAT. = 32"11"45.091"N LONG. = 103"34"07.377"W	LAT. = 32 11 45.087 N LONG. = 103 33 36.614 W		2435	7	Certificate Number(S) FISMON E JARANJILLO PLS 12797 EPEO LANDSTITUTEV NO. 1662
	S89'35'53"W	/ 2643.98 FT	\$89.38.33.W	2638.73 FT		CHEO, LANDSTRUEV NO. 1662