

**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**

Form C-101  
August 1, 2011  
Permit 143610

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

|  |  |                               |
|--|--|-------------------------------|
| 1. Operator Name and Address<br><b>MURCHISON OIL &amp; GAS INC</b><br>1100 Mira Vista Blvd.<br>Plano, TX 75093 |  | 2. OGRID Number<br>15363      |
|  |  | 3. API Number<br>30-015-39881 |
| 4. Property Code<br>26943  | 5. Property Name<br>HIGH NITRO STATE COM | 6. Well No.<br>002H           |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C        | 12      | 17S      | 28E   | C       | 200       | N        | 2602      | W        | EDDY   |

**8. Pool Information**

|                       |       |
|-----------------------|-------|
| EMPIRE; GLORIETA-YESO | 96210 |
|-----------------------|-------|

**Additional Well Information**

|                          |                            |  |                         |                                    |
|--------------------------|----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type<br>New Well | 10. Well Type<br>OIL       | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3632 |
| 14. Multiple<br>N        | 15. Proposed Depth<br>5777 | 16. Formation<br>Paddock               | 17. Contractor          | 18. Spud Date                      |
| Depth to Ground water    |                            | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

**19. Proposed Casing and Cement Program**

| Type   | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf   | 12.25     | 9.625       | 36               | 295           | 150             | 0             |
| Prod   | 8.75      | 7           | 26               | 3680          | 760             | 0             |
| Liner1 | 6.125     | 4.5         | 11.6             | 5777          | 0               |               |

**Casing/Cement Program: Additional Comments**

|  |
|--|
| Surface casing 100% excess, circulate to surface. Production casing 100% excess, circulate to surface. |
|--|

**Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular   | 3000             | 3000          | Shaffer      |
| DoubleRam | 3000             | 3000          | Shaffer      |

|  |   |
|--|---|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | <b>OIL CONSERVATION DIVISION</b>                    |
| Printed Name: Electronically filed by Michael Daugherty  | Approved By: Randy Dade                             |
| Title: President   | Title: District Supervisor                          |
| Email Address: ctracy@jdmii.com  | Approved Date: 2/6/2012   Expiration Date: 2/6/2014 |
| Date: 2/2/2012   Phone: 972-931-0700   | Conditions of Approval Attached                     |

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

Form C-102  
August 1, 2011  
Permit 143610

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |   |                                       |
|-------------------------------|---|---------------------------------------|
| 1. API Number<br>30-015-39881 | 2. Pool Code<br>96210                       | 3. Pool Name<br>EMPIRE; GLORIETA-YESO |
| 4. Property Code<br>26943     | 5. Property Name<br>HIGH NITRO STATE COM    | 6. Well No.<br>002H                   |
| 7. OGRID No.<br>15363         | 8. Operator Name<br>MURCHISON OIL & GAS INC | 9. Elevation<br>3632                  |

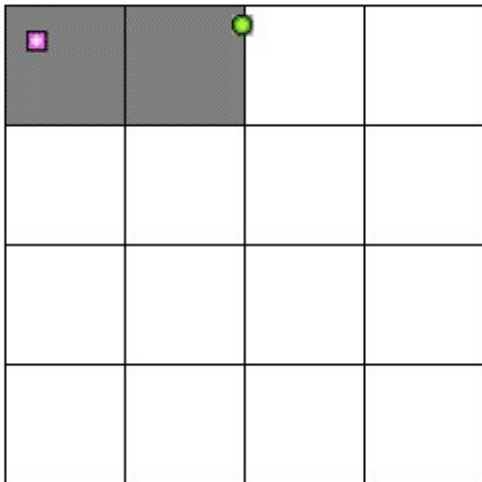
**10. Surface Location**

|               |               |                 |              |         |                  |               |                   |               |                |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>C | Section<br>12 | Township<br>17S | Range<br>28E | Lot Idn | Feet From<br>200 | N/S Line<br>N | Feet From<br>2602 | E/W Line<br>W | County<br>EDDY |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

**11. Bottom Hole Location If Different From Surface**

|                              |               |                     |              |                        |                  |               |                  |               |                |
|------------------------------|---------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>D                | Section<br>12 | Township<br>17S     | Range<br>28E | Lot Idn<br>D           | Feet From<br>380 | N/S Line<br>N | Feet From<br>330 | E/W Line<br>W | County<br>EDDY |
| 12. Dedicated Acres<br>80.00 |               | 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**

|   |   |
|---|---|
|  | <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Michael Daugherty<br/>Title: President<br/>Date: 2/2/2012</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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 belief.</i></p> <p>Surveyed By: Filimon Jaramillo<br/>Date of Survey: 1/7/2012<br/>Certificate Number: 12797</p> |
|---|---|

## Permit Comments

**Operator:** MURCHISON OIL & GAS INC , 15363

**Well:** HIGH NITRO STATE COM #002H

**API:** 30-015-39881

| Created By | Comment  | Comment Date |
|------------|----------|--------------|
| CSHAPARD   | Land p/P | 2/3/2012     |

# Permit Conditions of Approval

**Operator:** MURCHISON OIL & GAS INC , 15363

**Well:** HIGH NITRO STATE COM #002H

**API:** 30-015-39881

| OCD<br>Reviewer | Condition  |
|-----------------|--|
| CSHAPARD        | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |