

**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-103  
August 1, 2011

Permit 154607

<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 RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-40045
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator MURCHISON OIL & GAS INC		6. State Oil & Gas Lease No.
3. Address of Operator 1100 Mira Vista Blvd., Plano, TX 75093		7. Lease Name or Unit Agreement Name QUAIL STATE COM
4. Well Location Unit Letter <u>P</u> : <u>840</u> feet from the <u>S</u> line and <u>170</u> feet from the <u>E</u> line Section <u>8</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 003H
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3554 GR.		9. OGRID Number 15363
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 _____		10. Pool name or Wildcat

<b>12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data</b> <b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other: _____		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: <b>Drilling/Cement</b> <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.  
 8/21/12 - 8/23/12: Drilled 8-3/4" hole to 3441' & ran 7" csg (see attached).

8/30/12: Reached TD at 7896'.

9/2/12: Released rig.

See Attached

8/14/2012 Spudded well.

**Casing and Cement Program**

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
08/15/12	Surf	FreshWater	12.25	9.625	36	J-55	0	377	150	14.9	C		2500	0	N
08/21/12	Int1	Brine	8.75	7	26	L-80	0	3438	896		C		1500		N

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 Electronically Signed \_\_\_\_\_ TITLE COO \_\_\_\_\_ DATE 9/7/2012  
 Type or print name Michael Daugherty E-mail address ccottrell@jdmii.com Telephone No. 972-931-0700

**For State Use Only:**

APPROVED BY: Randy Dade TITLE District Supervisor DATE 9/11/2012 7:59:22 AM

## QUAIL STATE 3H

### 7" Casing Sundry

8/21/12 – 8/23/12 - Drilled 8 3/4 in. hole to 3441 ft. & ran 7 in. casing as follows:

1 Casing Shoe – 1.28 ft.

2 Jts. 7" 26# L-80 New API LTC 8RD R3– 83.89 ft.

1 Float Collar – 0.98 ft.

81 Jts. 7" 26# L-80 New API LTC 8RD R3- 3356.3ft.

Total – 3442.45 ft.

Set casing @ 3438 ft.

Cement:

Lead: w/100 SKS (34.55 Bbls) CLASS C 35/65 + 6% BENTONITE + 0.3% C-16A + 2# STAR SEAL + 1% CACL2 + 0.25% R-38 + 5% SALT (BWOW)

Middle: w/585 SKS (140Bbls) CLASS C 35/65 + 6% BENTONITE + 0.3% C-16A + 2# STAR SEAL + 1% CACL2 + 0.25% R-38 + 5% SALT (BWOW)

Tail: w/211 SKS 31.7Bbls CLASS C + 0.25% R-38.

Pump 20 Bbls freshwater and red dye spacer, pump 20 Bbls SAPP spacer, pump 10 Bbls fresh water spacer, pump 45 Bbls lead cement (11.8-11.9ppg), pump 200 Bbls middle cement (12.8-12.7-12.6ppg), pump tail cement 50 Bbls (14.8-14.7ppg), Drop plug, Displace with 128 Bbls Fresh water. At 2:04AM 08/21/2012 bump plug with 2180 psi – 480 psi over and plugs held 1 Bbl back. Cement to surface 130 Bbls.

8/22/2012 – Set casing slips, cut casing, Nipple up BOP and test to 250 psi low and 5000 psi high 10 min each. Test casing to 1500 psi high for 30 min, held OK.

8/23/2012 - Trip in hole with 6 1/8 in. bit and directional BHA. WOC total of 53 hrs. 7:00 AM Drill cement & float collar & shoe. Resume drilling formation at 3441 ft.

8/30/12 – Reached 7,896' TD

9/1/12 – Ran 4.5", 11.6 lb, N-80 BTC liner with 20 stage Baker completion system from 3,259' to 7,891'. Set packers & tested annulus to 1500 psi.

9/2/12 – Released rig.