

**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 184133

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

|                                                                                                     |  |                               |
|-----------------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>MURCHISON OIL & GAS INC<br>1100 Mira Vista Blvd.<br>Plano, TX 75093 |  | 2. OGRID Number<br>15363      |
| 4. Property Code<br>8127                                                                            |  | 3. API Number<br>30-025-41767 |
| 5. Property Name<br>JACKSON UNIT                                                                    |  | 6. Well No.<br>029H           |

**7. Surface Location**

|               |               |                 |              |              |                  |               |                   |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>O | Section<br>21 | Township<br>24S | Range<br>33E | Lot Idn<br>O | Feet From<br>200 | N/S Line<br>S | Feet From<br>2240 | E/W Line<br>E | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                  |               |                   |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>B | Section<br>21 | Township<br>24S | Range<br>33E | Lot Idn<br>B | Feet From<br>330 | N/S Line<br>N | Feet From<br>1670 | E/W Line<br>E | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

**9. Pool Information**

|                            |       |
|----------------------------|-------|
| TRIPLE X;BONE SPRING, WEST | 96674 |
|----------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3529 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>15800 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>5/30/2014         |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☐ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type   | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf   | 16        | 13.375      | 54.5             | 1290          | 800             | 0             |
| Int1   | 12.25     | 9.625       | 40               | 5200          | 1400            | 0             |
| Prod   | 8.5       | 7           | 26               | 10800         | 700             | 3000          |
| Liner1 | 8.5       | 5.5         | 17               | 15800         | 400             | 10800         |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 5000          | Schaffer     |
| Double Ram | 5000             | 5000          | Schaffer     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.<br><br>Signature: _____<br>Printed Name: Electronically filed by Michael Daugherty<br>Title: COO<br>Email Address: ccottrell@jdmii.com<br>Date: 4/4/2014 | <div style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></div> Approved By: Paul Kautz<br>Title: Geologist<br>Approved Date: 4/4/2014      Expiration Date: 4/4/2016<br>Conditions of Approval Attached |
| Phone: 972-931-0700                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                  |

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |                            |                        |                             |  |
|----------------------------|----------------------------|------------------------|-----------------------------|--|
| <sup>1</sup> AFE Number    |                            | <sup>2</sup> Pool Code | <sup>3</sup> Pool Name      |  |
|                            |                            | 96674                  | Triple X; Bone Spring, West |  |
| <sup>4</sup> Property Code | <sup>5</sup> Property Name |                        | <sup>6</sup> Well Name      |  |
| 8127                       | JACKSON UNIT               |                        | 29H                         |  |
| <sup>7</sup> UGID No.      | <sup>8</sup> Operator Name |                        | <sup>9</sup> Division       |  |
| 15363                      | MURCHISON OIL & GAS, INC.  |                        | 3529.0                      |  |

| 11 Surface Location |         |          |       |         |               |                  |               |                |        |
|---------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| U.S. of no.         | Section | Township | Range | Let lds | Feet from the | North/South line | Feet from the | East/West line | County |
| O                   | 21      | 24 S     | 33 E  |         | 200           | SOUTH            | 2240          | EAST           | LEA    |

| * Bottom Hole Location If Different From Surface |         |          |       |         |               |                  |               |                |        |
|--------------------------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| U.S. well no.                                    | Section | Township | Range | Lot No. | Feet from the | North/South line | Feet from the | East/West line | County |
| B                                                | 21      | 24 S     | 33 E  |         | 330           | NORTH            | 1670          | EAST           | LEA    |

|                                |                              |                                  |                         |
|--------------------------------|------------------------------|----------------------------------|-------------------------|
| <sup>13</sup> Predicates Acres | <sup>14</sup> Join or Infill | <sup>15</sup> Consolidation Code | <sup>16</sup> Order No. |
|--------------------------------|------------------------------|----------------------------------|-------------------------|

No allowance will be assigned in this completion until all interests have been consolidated on a non-standard unit has been approved by the division.

[illegible]

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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 APD Comments  
  
Permit 184133

**PERMIT COMMENTS**

|                                                                                                           |  |                             |
|-----------------------------------------------------------------------------------------------------------|--|-----------------------------|
| Operator Name and Address:<br>MURCHISON OIL & GAS INC [15363]<br>1100 Mira Vista Blvd.<br>Plano, TX 75093 |  | API Number:<br>30-025-41767 |
|                                                                                                           |  | Well:<br>JACKSON UNIT #029H |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions  
 Permit 184133

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                           |                             |
|-----------------------------------------------------------------------------------------------------------|-----------------------------|
| Operator Name and Address:<br>MURCHISON OIL & GAS INC [15363]<br>1100 Mira Vista Blvd.<br>Plano, TX 75093 | API Number:<br>30-025-41767 |
|                                                                                                           | Well:<br>JACKSON UNIT #029H |

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DMULL           | Will require a directional survey with the C-104                                                                                                                                                                                                                     |
| DMULL           | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines                                                                                                                |
| DMULL           | 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 |
| pkautz          | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- 3) Liner -- Cement must tie back into production casing                                                               |
| pkautz          | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water                                                                                                                                                                 |