

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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 206619

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

| | | |
|--|--|-------------------------------|
| 1. Operator Name and Address MURCHISON OIL & GAS INC Legacy Tower One Plano, TX 75024 | | 2. OGRID Number 15363 |
| 4. Property Code 8127 | | 3. API Number 30-025-42652 |
| 5. Property Name JACKSON UNIT | | 6. Well No. 030H |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| O | 21 | 24S | 33E | O | 200 | S | 1640 | E | Lea |

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| A | 21 | 24S | 33E | A | 330 | N | 350 | E | Lea |

9. Pool Information

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

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3532 |
| 16. Multiple N | 17. Proposed Depth 16000 | 18. Formation 2nd Bone Spring Sand | 19. Contractor | 20. Spud Date 8/1/2015 |
| 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 | 5.5 | 20 | 16000 | 1200 | 4900 |

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. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Michael Daugherty | Approved By: Paul Kautz |
| Title: COO | Title: Geologist |
| Email Address: ccottrell@jdmii.com | Approved Date: 6/25/2015 Expiration Date: 6/25/2017 |
| Date: 6/24/2015 Phone: 972-931-0700 | Conditions of Approval Attached |

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1600 Rio Brazos Road, Aztec, NM 87410
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

| | | | |
|----------------------------|----------------------------|------------------------|-----------------------------|
| ¹ API Number | | ² Pool Code | ³ Pool Name |
| | | 96674 | Triple X; Bone Spring, West |
| ⁴ Property Code | ⁵ Property Name | | ⁶ Well Number |
| 8127 | JACKSON UNIT | | 30H |
| ⁷ OGRID No. | ⁸ Operator Name | | ⁹ Elevation |
| 15363 | MURCHISON OIL & GAS, INC. | | 3532.4 |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 21 | 24 S | 33 E | | 200 | SOUTH | 1640 | EAST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 21 | 24 S | 33 E | | 330 | NORTH | 350 | EAST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 160 | | | |

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>N89°40'20"E 2640.15 FT</p> <p>COMPUTED N/4 CORNER SEC. 21 USING NMDOT ROW MAP HWY 128 DATED JULY 8, 2008</p> <p>SCALED</p> <p>BOTTOM OF HOLE LAT. = 32°12'34.074"N LONG. = 103°34'11.453"W</p> <p>COMPUTED USING NMDOT ROW MAP HWY 128 DATED JULY 8, 2008</p> <p>BOTTOM OF HOLE LAT. = 32°12'34.074"N LONG. = 103°34'11.453"W</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) IN DEGREES MINUTES DECIMAL SECONDS FORMAT. BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST (NAD83) COORDINATES MODIFIED TO SURFACE.</p> <p>W/4 CORNER SEC. 21 LAT. = 32°12'41.327"N LONG. = 103°35'08.807"W</p> <p>E/4 CORNER SEC. 21 LAT. = 32°12'41.242"N LONG. = 103°34'07.372"W</p> <p>JACKSON UNIT #30H ELEV. = 3532.4' LAT. = 32°11'47.111"N (NAD83) LONG. = 103°34'26.459"W</p> <p>SE CORNER SEC. 21 LAT. = 32°11'45.091"N LONG. = 103°34'07.377"W</p> <p>SW CORNER SEC. 21 LAT. = 32°11'45.204"N LONG. = 103°35'08.794"W</p> <p>S/4 CORNER SEC. 21 LAT. = 32°11'45.157"N LONG. = 103°34'38.093"W</p> <p>SURFACE LOCATION</p> <p>200'</p> <p>1640'</p> <p>S89°42'11"W 2638.65 FT</p> <p>S89°44'22"W 2639.89 FT</p> | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 undivided mineral interest in the land including the proposed bottom hole location 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.</p> <p>Signature: <i>[Signature]</i> Date: 6/24/15</p> <p>Printed Name: Gary Cooper</p> <p>E-mail Address: rcooper@jdmii.com</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 18, 2015 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: FILIPINO, J. JARAMILLO, PLS 12797 SURVEY NO. 2575A</p> |
|---|--|---|

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Form APD Comments

Permit 206519

PERMIT COMMENTS

| | |
|--|-----------------------------|
| Operator Name and Address: MURCHISON OIL & GAS INC [15363] Legacy Tower One Plano, TX 75024 | API Number: 30-025-42652 |
| | Well: JACKSON UNIT #030H |

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

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Form APD Conditions

Permit 206519

PERMIT CONDITIONS OF APPROVAL

| | |
|--|-----------------------------|
| Operator Name and Address: MURCHISON OIL & GAS INC [15363] Legacy Tower One Plano, TX 75024 | API Number: 30-025-42652 |
| | Well: JACKSON UNIT #030H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 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 | Pit construction and closure must satisfy all requirements of your approved plan. |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |