

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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APR 29 2004

☐ AMENDED REPORT

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

¹ Operator Name and Address MURCHISON OIL & GAS, INC. 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698		² OGRID Number 015363 ³ API Number 30 - 015-32176
⁴ Property Code 29244	⁵ Property Name HUGGIE BEAR STATE COM	⁶ Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	17-S	28-E		1420	NORTH	990	EAST	EDDY

8 Proposed 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
⁹ Proposed Pool 1 Wildcat; Wolfcamp					¹⁰ Proposed Pool 2				

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Depth to ground water			Distance from nearest fresh water well			Distance from nearest surface water			
¹¹ Work Type Code E		¹² Well Type Code Oil GAS		¹³ Cable/Rotary ROTARY		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 3576'	
¹⁶ Multiple N/A		¹⁷ Proposed Depth 7800'		¹⁸ Formation WOLFCAMP		¹⁹ Contractor UNKNOWN		²⁰ Spud Date 6/1/04	

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	68 #/FT	210'	250 SX	SURFACE
12-1/4"	9-5/8"	43.5 #/FT	2170'	1450 SX	SURFACE
7-7/8"	5-1/2"	17 #/FT	7800'	1200 SX	4000' EST

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED PROCEDURES

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Michael S. Daugherty

Printed name: MICHAEL S. DAUGHERTY

Title: VICE PRESIDENT OPERATIONS

E-mail Address: mdaugherty@jdmii.com

Date: 4/26/04

Phone: (972) 931-0700

OIL CONSERVATION DIVISION

Approved by:

Steve W. Lamm
District Supervisor

Approval Date: JUN 03 2004

Expiration Date: JUN 03 2005

Conditions of Approval:

Attached ☐

**MURCHISON OIL & GAS, INC.
HUGGIE BEAR STATE COM #1
SEC. 2, T17S, R28E
1420' FNL AND 990' FEL
EDDY COUNTY, NEW MEXICO**

RE-ENTRY PROCEDURE

1. Prepare road and location and dig 1 – 50' x 25' x 8' pit and line. Dig out well head set 6 x 6 cellar and cut off P & A marker. Weld on 9-5/8" slip collar, 9-5/8" – 43# extension sub and 11" – 3K flange.
2. Set dead men, move in rat hole unit and drill out service plug w/ 8-1/2" mill tooth bit.
3. Set matting boards for both rig and tbg, move in and RUPU on six lines. NU 3K 8" BOP w/ 2-7/8" rams. Move in and set two sets pipe racks and cat walk, deliver and rack 7,700' of 2-7/8" N-80 eue 8rd 6.5# tbg.

NOTE:

- A. Have steel mud pit set w/ shale shaker and mud mixing pit and large PA 11 pump, w/ 4-1/2" plungers. Set frac tank and load w/ fresh water. Set centrifugal pump to pull from earth pit, frac tank and mix mud through hopper.
 - B. Re-enter well using fresh water and condition mud as required when drilling cmt plugs cir. to earth pit and replace fluid to control volume and condition mud as required.
4. GIH w/ 8-1/2" bit 8 – 4-3/4" drill collars and 2-7/8" tbg clean out remaining surface plug as required, drilling conventional. Drill and clean out plug at 210', and drill and clean out plug at 2,170'. NU stacked stripper head w/ 2-7/8" and 4-1/2" stripper rubbers for control.
 5. Continue in hole w/ tbg rotating pipe between plugs in open hole to insure hole is clean and gage. Drill out all cmt plugs 100' cmt plug at 3690', 100' cmt plug at 5590', 100' cmt plug at 6,748'.
 6. POOH standing back tbg and laying down collars. Rack 7,800' of 5-1/2" 17# N-80 csg, have it drifted and threads cleaned, inspected, re-doped and ready to run.
 7. GIH w/ Texas pattern guide shoe, one jt 5-1/2" – 17# N-80 csg, and additional csg as required to have shoe at 7,800'.

8. RU BJ Services and cmt csg w/ 1200 sx Super C Modified per recommendation w/ sweep in front of cmt, displace w/ fresh water. Top of cement should be 4,000' \pm from surface.
9. ND BOP set slips on csg, cut off csg, and NU 3K tbg head and 3K x 2-7/8" manual BOP.
10. RD and clean out mud pits and circulation pit. TIH w/ 4-3/4" bit and 6 – 3-1/2" drill collars. Allow 24 hrs for cmt to set and clean out to float collar. Circulate hole clean w/ 175 bbls 2% KCL water and commence with completion operations.

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

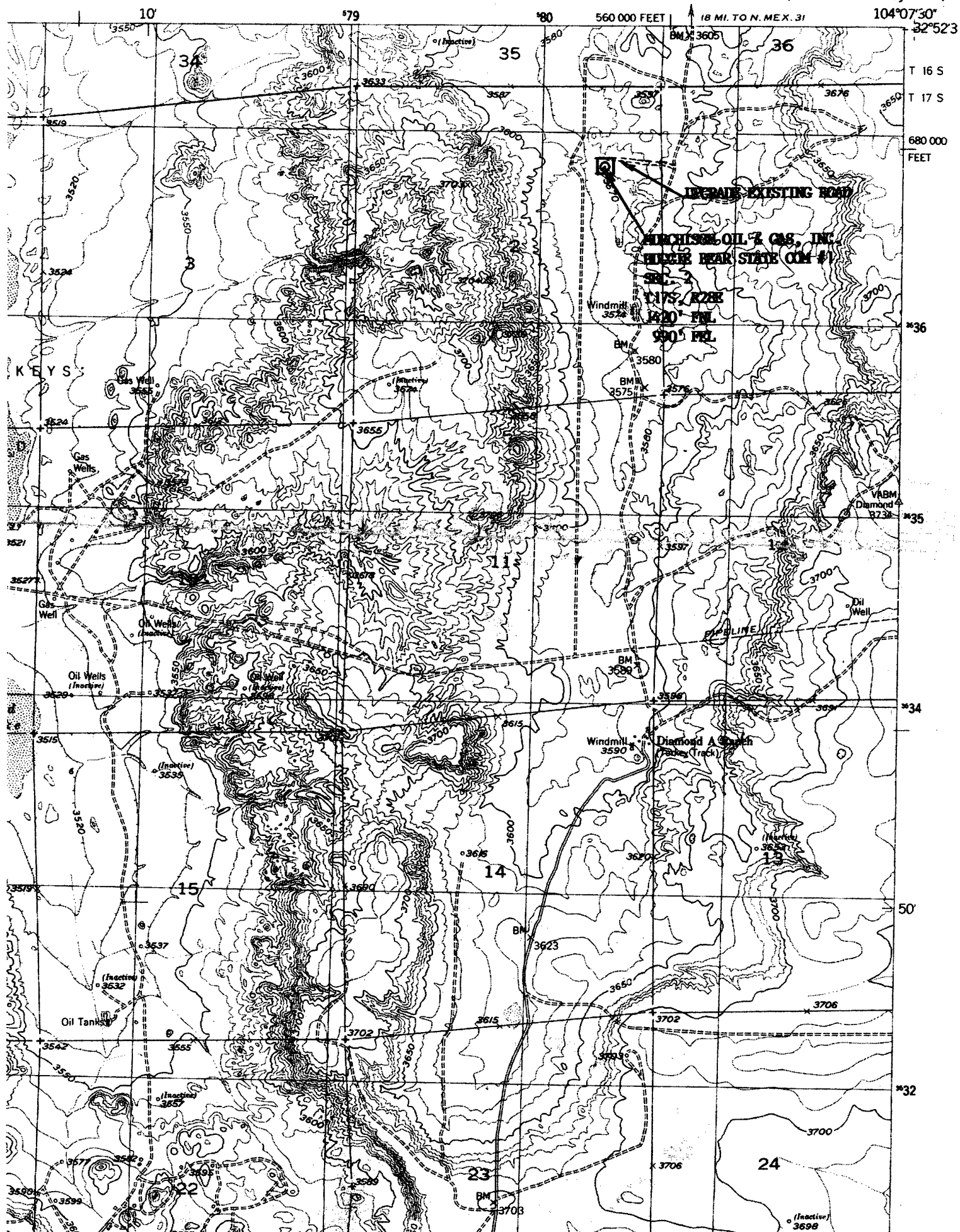
API Number 30-015-32176	Pool Code	Pool Name
Property Code 29244	Property Name HUGGIE BEAR STATE COM	Well Number 1
OGRID No. 015363	Operation Name MURCHISON OIL & GAS, INC.	Elevation 3573

Surface Location									
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
H	2	17-S	28-E		1420	NORTH	990	EAST	EDDY

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
					Signature <i>Michael S. Daugherty</i>	
					Printed Name MICHAEL S. DAUGHERTY	
					Title VICE PRESIDENT OPERATIONS	
					Date 4/26/04	
RECEIVED APR 29 2004 OCD-ARTESIA					SURVEYOR CERTIFICATION 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 KNOWLEDGE AND BELIEF.	
					Date of Survey FEBRUARY 21, 2003	
					Signature and Seal of Professional Surveyor 	
					Certificate Number 5412	



CERTIFIED MAIL

April 26, 2004

Mr. Bryan Arrant
State of New Mexico
Oil Conservation Division
District II
1301 W. Grand Avenue
Artesia, New Mexico 88210-2834

RECEIVED
APR 29 2004
OCD-ARTESIA

**RE: HUGGIE BEAR STATE COM #1
EDDY COUNTY, NM.**

Dear Mr. Arrant:

Please find attached an the following:

- 1) Form C-101 (APD) - Original + 6 copies
- 2) Form C-102 (Loc. Plat) - Original + 6 copies
- 3) Form C-103 – Sundry Notice – Construct Drilling Pit - Original + 6 copies
- 4) Form C-144 – Pit Registration – Original + 6 copies
- 5) Letter to OCD regarding H2S contingency plan

If you have any questions please call me.

Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty CT
Michael S. Daugherty
Vice President Operations

MSD/ct/HuggieBearSC#1-Re-Entry-C101&102,Etc

Encl.



April 26, 2004

Mr. Bryan Arrant
State of New Mexico
Oil Conservation Commission
1301 W. Grand Avenue
Artesia, New Mexico 88210

**RE: HUGGIE BEAR STATE COM #1
1420' FNL & 990' FEL
SEC. 2, T17S, R28E
EDDY CO., NM.**

Dear Bryan:

This letter is in reference to the OCD's requirements for H2S contingency plan for the above captioned well. No H2S is expected in the drilling of the above captioned well. H2S detection equipment will be installed prior to the top of the Delaware formation as a precautionary measure.

Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty
Vice President Operations

MSD/Ct/HuggieBearSC#1-OC DH2S

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APR 29 2004

OCD-ARTESIA