

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD - Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

|                                                                                                                                  |                                                                                    |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |                                                                                    | 5. Lease Serial No.<br>NMNM120349                   |
| 2. Name of Operator<br>MURCHISON OIL & GAS INC<br>Contact: CINDY COTTRELL<br>E-Mail: ccottrell@jdmii.com                         |                                                                                    | 6. If Indian, Allottee or Tribe Name                |
| 3a. Address<br>1100 MIRA VISTA BLVD<br>PLANO, TX 75093-4698                                                                      | 3b. Phone No. (include area code)<br>Ph: 972-931-0700 Ext: 109<br>Fx: 972-931-0701 | 7. If Unit or CA/Agreement, Name and/or No.         |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 26 T16S R27E SESE 990FSL 250FEL                    |                                                                                    | 8. Well Name and No.<br>CARBON VALLEY 26 FED COM 2H |
|                                                                                                                                  |                                                                                    | 9. API Well No.<br>30-015-37684-00-X1               |
|                                                                                                                                  |                                                                                    | 10. Field and Pool, or Exploratory<br>DOG CANYON    |
|                                                                                                                                  |                                                                                    | 11. County or Parish, and State<br>EDDY COUNTY, NM  |

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                |                                           |                                                    |                                           |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
|                                                       | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | Well Spud                                 |
|                                                       | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |                                           |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

10/18/10 - Spud well at 12:30 PM with 12-1/4 in. hole & drilled to 550 ft.

10/19/10 - 10/20/10 - Drilled 12-1/4 in. hole to 1,030 ft. & ran 9-5/8 in. casing as follows:

1 Float Shoe - 1 ft.  
1 Jt. 9-5/8 in. 36# J-55 ST&C - 41 ft.  
1 Float Collar - 1 ft.  
26 Jts. 9-5/8 in. 36# J-55 ST&C - 994 ft.  
Total - 1037 ft.

Set casing @ 1,030 ft. Cement: Lead w/310 SXS Class C Premium Plus w/4% gel + 2% CaCl<sub>2</sub>; 12.9 ppg, 1.84 yield, 9.18 gal/sx. Tail w/220 SXS HalCem + 2% CaCl<sub>2</sub>; 14.8 ppg, 1.35 yield, 6.39 gal/sx.

**RECEIVED**  
NOV 15 2010  
NMOCD ARTESIA

|                                                                                                                                                                                                                                                                                |                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct.<br>Electronic Submission #95637 verified by the BLM Well Information System<br>For MURCHISON OIL & GAS INC, sent to the Carlsbad<br>Committed to AFMSS for processing by KURT SIMMONS on 11/01/2010 (11KMS0065SE) |                                 |
| Name (Printed/Typed) ARNOLD NALL                                                                                                                                                                                                                                               | Title VICE PRESIDENT OPERATIONS |
| Signature (Electronic Submission)                                                                                                                                                                                                                                              | Date 10/25/2010                 |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|                                                                                                                                                                                                                                                           |                                      |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------|
| Approved By<br><b>ACCEPTED</b>                                                                                                                                                                                                                            | JAMES A AMOS<br>Title SUPERVISOR EPS | Date 11/11/20 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office Carlsbad                      | 2010          |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #95637 that would not fit on the form**

**32. Additional remarks, continued**

Displaced with 77 bbls fresh water. Bumped plug w/500 psi over (900 psi total), float held, circ 36 bbls cmt to pit. Plug down. WOC 4.75 hrs. Cut off 9-5/8 in. csg, weld on wellhead. Nipple up BOP and test to 250 psi low and 5000 psi high. Test annular to 250 psi low and 2500 psi high. Hydril choke leaking; replaced w/new parts & retest. Held OK. WOC total of 25.25 hrs.

10/21/10 - Trip in hole w/ 8-3/4 in. bit and drill cement & float collar. Drill cement & casing shoe. Resume drilling formation at 1,032 ft.