

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.

5. Lease Serial No.
NMNM120349

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. FROSTY FEDERAL COM 1
2. Name of Operator MURCHISON OIL & GAS INC		9. API Well No. 30-015-37003-00-X1
3a. Address 1100 MIRA VISTA BLVD PLANO, TX 75093-4698		10. Field and Pool, or Exploratory EMPIRE
3b. Phone No. (include area code) Ph: 972-931-0700 Ext: 109 Fx: 972-931-0701		11. County or Parish, and State EDDY COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T16S R27E SENE 2285FNL 330FEL 32.89440 N Lat, 104.24206 W Lon		

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 recompleat 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 recompleat 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.)

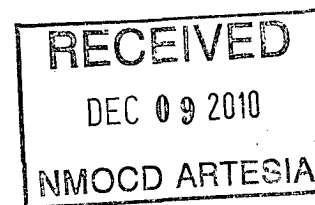
11/16/10 Spud well at 22:00 with 12 1/4 in. hole.

11/18/10 Drilled to 1410 ft. & ran 9-5/8 in. casing as follows:

1 Texas Pattern Shoe 1 ft.
1 Jt. 9 5/8 in. 36# J-55 STC 43 ft.
1 Float Collar 1 ft.
32 Jts. 9 5/8 in. 36# J-55 STC 1372 ft.

Total 1417 ft.

Set casing at 1410 ft. Centralizer on middle of first joint and top of joints 2 & 4. Lead cmt



14. I hereby certify that the foregoing is true and correct. Electronic Submission #98221 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/30/2010 (11KMS0312SE)	
Name (Printed/Typed) ARNOLD NALL	Title VICE PRESIDENT OPERATIONS
Signature (Electronic Submission)	Date 11/29/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	JAMES A AMOS Title SUPERVISOR EPS	Date 12/05/2010
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

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 ****

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Additional data for EC transaction #98221 that would not fit on the form

32. Additional remarks, continued

w/440 sx Extendacem-CZ, 13.5 ppg, 1.75 yield, 9.2 gal/sx. Tail cmt w/440 sx Halcem-C + 2% CaCl, 14.8 ppg, 1.35 yield, 6.39 gal/sx. Displaced w/106 bbls fresh water. Bumped plug w/500 psi over (1100 psi total), float held, circ 211 sx to pit. Plug down. WOC.

11/19/10 Cut off 9 5/8 in. csg, weld on wellhead. Nipple up BOP and test to 250 psi low & 5000 psi high. Test annular to 250 psi low & 2500 psi high. Held OK. WOC total of 20.75 hrs. Trip in hole w/8 3/4 in. bit and drill cement & float collar. Test csg to 1200 psi. Drill cement & csg shoe from 1375 ft. to 1410 ft. Resume drilling formation w/8 3/4 in. bit.