

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.**

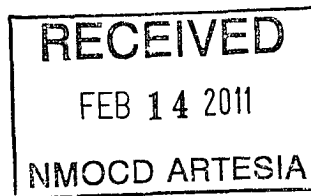
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM19423 /
2. Name of Operator MURCHISON OIL & GAS INC Contact: CINDY COTTRELL E-Mail: ccottrell@jdmii.com		6. If Indian, Allottee or Tribe Name
3a. Address 1100 MIRA VISTA BLVD. PLANO, TX 75093-4698	3b. Phone No. (include area code) Ph: 972-931-0700 Ext: 109	7. If Unit or CA/Agreement, Name and/or No. NM 72042
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T25S R26E SWNE 1650FNL 1650FEL /		8. Well Name and No. WHITE CITY FED 10 COM 1 /
		9. API Well No. 30-015-22396 /
		10. Field and Pool, or Exploratory WHITE CITY, PENN /
		11. County or Parish, and State EDDY COUNTY, NM /

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

Murchison Oil & Gas, Inc. respectfully requests permission to further stimulate existing Wolfcamp Cisco Canyon perforations from 10,260 ft. to 10,414 ft. as described on the attached workover procedure. We respectfully request a six (6) month extension to start the workover due to current challenges procuring equipment and services in our extremely active industry.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Accepted for record - NMOCD

*DD*

14. I hereby certify that the foregoing is true and correct. Electronic Submission #101821 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad	
Name (Printed/Typed) TOMMY FOLSOM	Title FIELD SUPERVISOR
Signature (Electronic Submission)	Date 01/31/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title	APPROVED	Date
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	FEB 7 2011 /s/ Dustin Winkler	

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 any statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

EC

MURCHISON OIL AND GAS, INC.  
WHITECITY 10 FEDERAL #1  
Sec. 10, T-25S, R-26E  
1650' FNL AND 1650' FEL  
EDDY COUNTY, NEW MEXICO

WORKOVER PROCEDURE

JANUARY 20, 2011

CASING:

Surface -	16"	- 65# H-40	@	223'	Cmt cir.
Intermediate	10 3/4"	- 40.5# K-55	@	1,784'	Cmt cir
Deep Intermediate	7 5/8"	- 29.7 & 26.4# S-95 & N-80	@	8,576'	TOC at 2,832' by CBL 7-9-03
Production Liner	5"	- 17 & 18# N-80 LT&C	@	8,214' to 12,006'	CMT cir.

LOGS:

CBH-CSL-CNFDL, dated 05/30/78

REFERENCE LOG:

GBH-CSL-CNFDL dated 05/30/78

GL - 3,384'      KB - 3,399'      KB correction: - 15'

PRODUCING PERFORATIONS:

Cisco Canyon - 10,260' to 10,414'

EQUIPMENT:

Tubing -	320 jts, 2 3/8" eue 8rd 4.7# N-80,
Packer-	Baker Loc set packer at 10,174' w/ 2 3/8" sn above packer and 8' 2 3/8" sub below packer
Tree -	5K production tree
Battery -	750 MMBTU 3 phase gas production unit
Tank -	1 - 250 Bbl open top netted tank

DISCUSSION:

The well was worked on in July of 2003 to re-complete to the Wolfcamp upper Penn ( Cisco Canyon ). The zone has good remaining pressure but poor deliverability. The tbg will build pressure to 4000 psi and the csg is building pressure also the well seems to have a tbg collar leak. The well was placed back on production allowing periodic sales.

EC

MOGI  
White City 10 Federal #1  
Workover Procedure  
Page 2 of 2

1. Test anchors, set matting board for both rig and tbg, MI and RUPU. Blow down tbg, and pump 30 Bbls fresh water down tbg and 100 Bbls water down csg.

NOTE: Leave kill truck on location w/ 10# brine for well control.

2. ND tree and NU 5k x 7 1/16 x 2 3/8" BOP. Release Backer Loc set packer, POOH and lay down 2 3/8" tbg.

NOTE: Deliver and rack 10,200' 2 7/8" Hydrill 5.95# P-110 tbg, change out pipe rams on BOP to 2 7/8" rams.

3. TIH w/ 5" x 2 7/8" AS 1 packer, and sufficient 2 7/8" tbg to set pkr at 10,180'.

NOTE: Run 1.81 Frac hardened F nipple in pkr. ND BOP and NU 5K tree.

4. RU frac company and pump 20,000 gals 20% gelled acid, 20,000 gals gelled pad, and 50,000# 20/40 RC Ottawa sand staged 1/2# - 7,500#, 3/4# - 10,000#, 1# - 20,000#, 1.5# - 12,500#

NOTE: Max pressure 10,000 psi, max rate 12 BPM

5. Flow well back for clean up and production test.
6. Set plug in profile in pkr, load tbg as needed, get off on/off tool, POOH w/ 2 7/8" hydrill tbg.

NOTE: Change out tbg rams to 2 3/8" rams

7. TIH w/ on/off tool, 2 3/8" N-80 tbg and latch onto pkr, Space out tbg as needed. ND BOP and NU tree. RU slick line and retrieve plug in pkr.

NOTE: Use shut in pressures from flow test to calculate needed hydrostatic head required to pull plug.

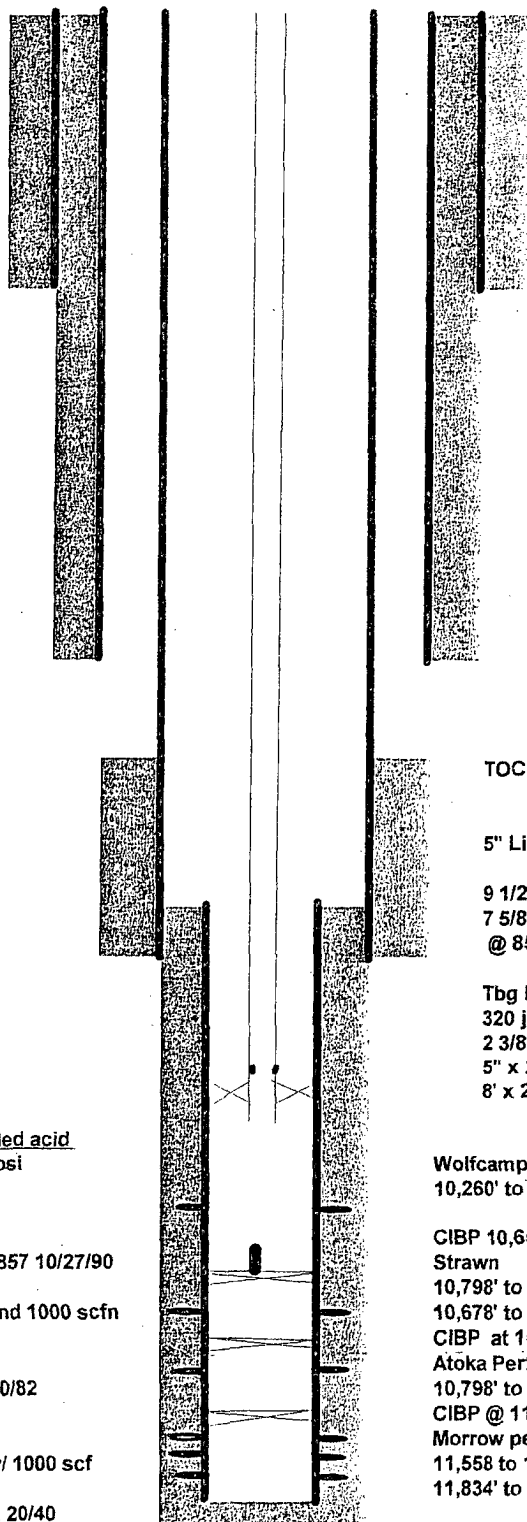
8. Flow or swab well as needed for clean up. Make adjustments to battery as required and place well on production.

Tommy W. Folsom  
Operations Manager

# EC

MURCHISON OIL AND GAS, INC.  
 White City 10 Federal #1  
 SEC. 10, T-25S, R-26E  
 1650' FNL AND 1650' FEL  
 EDDY COUNTY, NEW MEXICO  
 API # 30-015-22396

GL: 3,384'  
 KB: 3,399'



20" HOLE  
 16" 65# H-40 ST&C  
 @ 223' CMT CIR

14 3/4" HOLE  
 10 3/4" 40.5# K-55, ST&C  
 @ 1,784' CMT CIR.

TOC by CBL 2,832'

5" Liner Top @ 8,214'

9 1/2" HOLE  
 7 5/8" 29.7# & 26.4# S-95 & N-80  
 @ 8576'

Tbg Detail  
 320 jts 2 3/8" N-80 8rd 4.7# 8rd  
 2 3/8" sn  
 5" x 2 3/8" Baker Loc set packer @ 10,174'  
 8' x 2 3/8" N-80 8rd 4.7# 8rd tbg sub

Acid treated w/ 4000 gals 20% gelled acid  
 @ 4.3 BPM at 5811 psi ISIP 3980 psi  
 dropped 150 1.3 RCN ball sealers  
 7/14/03

TCP 81' guns dropped TOG @ 10,857 10/27/90

Acid treated 3500 gals 10% HCL and 1000 scfn  
 ISIP 4550 psi 6/13/90

Acid treated w/ 1680 MSR acid 7/30/82  
 ISIP 3400PSI  
 Morrow Perfs 11,834' to 11,966'  
 Acid treated 3000 gals 10% HCL w/ 1000 scf  
 nitrogen/Bbl. ISIP 5000 psi 7/02/78  
 Frac treated w/20K 100 mesh, 48K 20/40  
 & 2K 20/40 glass beads ISIP 5250 07/27/78

Wolfcamp  
 10,260' to 10,414' 150 holes 7/11/03

CIBP 10,650' cap w/ 35' cmt PBD 10,615'  
 Strawn  
 10,798' to 10,804' added perfs 10/26/90  
 10,678' to 10,691' 06/13/90  
 CIBP at 10,793' capped w/ 35' cmt 10,758'  
 Atoka Perfs  
 10,798' to 10,988'  
 CIBP @ 11,400' w/ 35' cmt @ 11,365'  
 Morrow perforations  
 11,558 to 11,591' 07/28/82 added  
 11,834' to 11,966'

6 1/8" HOLE  
 5" 17# & 18# N-80 LT&C  
 @ 8,214' to 12,006' CMT w/ 525 sxs cmt cir

Murchison Oil and Gas Inc.  
NM-19423: White City Federal 10 Com #1  
API: 30-015-22396  
Eddy County, New Mexico

RE: Recompletion – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

5M systems shall require two independent power sources, one of which may be nitrogen bottles (three minimum) maintaining a charge equal to the manufacturer's recommendations.

Submit subsequent report with well test once work is completed.

Approval is good for 6 months.

DHW 020711