

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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		2. OGRID Number 15363
		3. API Number 30-025-38605
4. Property Code 35627	5. Property Name HIGHTOWER STATE UNIT	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	27	12S	33E	J	2080	S	1625	E	LEA

8. Pool Information

HIGHTOWER,PERMO PENN	31350
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4251
14. Multiple N	15. Proposed Depth 10200	16. Formation Pennsylvanian	17. Contractor	18. Spud Date 11/23/2007
Depth to Ground water 90		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

Pit: Liner: Synthetic ☒ 12 _____ mils thick Clay ☐ Pit Volume: 15000 _____ bbls Drilling Method:
 Closed Loop System ☐ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	500	0
Int1	12.25	9.625	40	3800	1500	0
Prod	8.5	5.5	17	10200	1700	3900

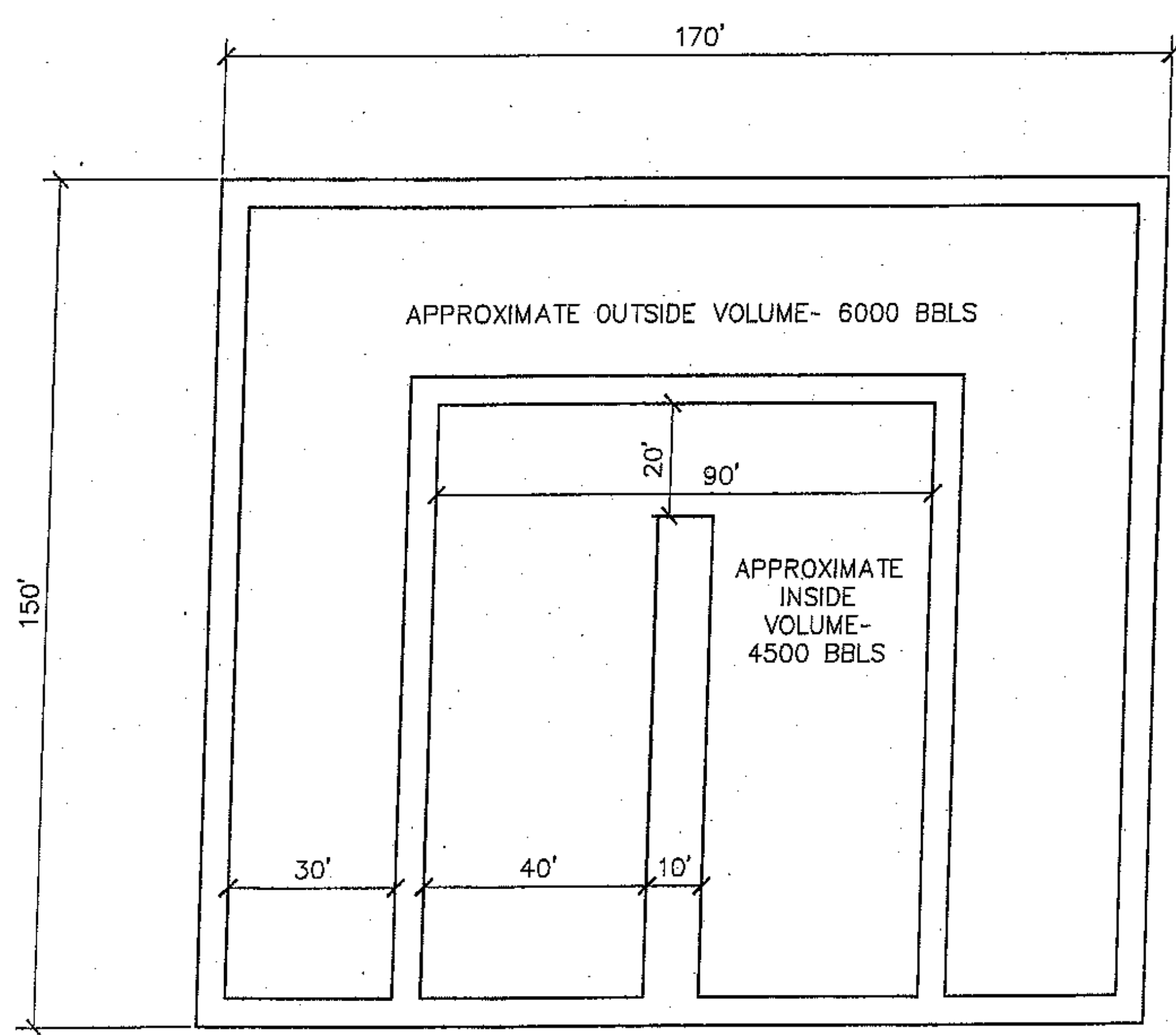
Casing/Cement Program: Additional Comments

Surface casing cement w/class "C" or Type I + additives Intermediate casing cement w/Class "C" or type I + additives production casing cement w/Class "C" or type I + additives.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	
Hydril	3000	3000	

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 <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Michael Daugherty	Approved By: Paul Kautz	
Title: President	Title: Geologist	
Email Address: ctracy@jdmii.com	Approved Date: 11/15/2007 Expiration Date: 11/15/2008	
Date: 11/14/2007	Phone: 972-931-0700	Conditions of Approval Attached



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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Hightower; Permo Penn</i>
Property Code	Property Name HIGHTOWER STATE UNIT	Well Number 2
OGRID No.	Operator Name MURCHISON OIL & GAS, INC.	Elevation 4251'

Surface Location

UL or lot No. J	Section 27	Township 12 S	Range 33 E	Lot Idn	Feet from the 2080	North/South line SOUTH	Feet from the 1625	East/West line EAST	County LEA
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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 INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION 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 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. <i>[Signature]</i> 11/9/07 Signature Date <i>Owner name Agent For</i> Printed Name <i>Murchison</i>	
				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 belief. NOVEMBER 06, 2007 Date Surveyed <i>[Signature]</i> Signature & Professional Seal <i>[Seal]</i> Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

Permit Conditions of Approval

Operator: MURCHISON OIL & GAS INC , 15363

Well: HIGHTOWER STATE UNIT #002

API: 30-025-38605

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines