State of New Mexico

Form C-101 Permit 81168

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

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	1. Operator Name and Address	2. OGRID Number						
MU	15363							
-1	100 MIRA VISTA BLVD. PLANO , TX 75093	3. API Number						
	1LANO, 12 /2003	30-025-39130						
4. Property Code	5. Property Name	6. Well No.						
35627	HIGHTOWER STATE UNIT	003						

7. Surface Location

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	I	27	12S	33E	I	1750	S	330	E	LEA

8. Pool Information

HIGHTOWER PERMO PENN	31350

Additional Well Information

	101	THE THE PARTY OF T		(1)4			
9. Work Type 10. Well Type New Well OIL		11. Cable/Rotary	13. Ground Level Elevation 4241				
14. Montiple N	15. Proposed Depth 10300	16. Formation Pennsylvanian	17. Contractor	18. Spud Date 11/1/2008			
Depth to Ground	100000		Distance from nearest fresh water well				
Pit: Liner: Synthetic Closed Loop System	mils thick	: Clay Pit Volume: bbls		Diesel/Oil-based Gas/Air			

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	390	0
Int1	12.25	9.625	40	3800	815	0
Prod	8.5	5.5	17	10300	2025	3300

Casing/Cement Program: Additional Comments

Surface and Intermediate casing cement w/class "C" or type I + additives; Production casing amount w/class "H" + additives. Equivalent or adequate grades and weights of casing may be substituted at the time casing is run, depending upon availability. 13.375" Surface Casing - Cementing Program Cement with 390 sacks of Premium Plus Class C + additives with yield = 1.35 cu. ft./sack; circulate cement to surface. If cement does not circulate, will run a temperature survey to find actual top of cement and run 1" tubing into annulus and pump cement as necessary to achieve circulation to surface. 9.625" Intermediate Casing - Cementing Program Cement with 615 sacks of 50:50 Poz:Premium Plus Class C + additives with yield = 2.44 cu.ft./sack, tail with 200 sacks Premium Plus Class C + additives with yield = 1.34 cu.ft./sack; circulate cement to surface. If cement does not circulate, will run a temperature survey to find actual top of cement and run 1" tubing into annulus and pum

Proposed Blowout Prevention Program

	The state of the s		
Туре	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	OIL CONSERVATION DIVISION					
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Paul Kautz					
Printed Name: Electronically filed by Michael Daugherty	Title: Geologist					
Title: President	Approved Date: 9/8/2008 Expiration Date: 9/8/2010					
Email Address: ctracy@jdmii.com						
Date: 8/29/2008 Phone: 972-931-0700						

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 81168

Energy, Minerals and Natural Resources Oil Conservation Division

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

4.737						
1. API Number	2. Pool Code	le 3. Pool Name				
30-025-39130	31350	HIGHTOWER; PERMO PENN				
4. Property Code	5. Property	5. Property Name				
35627	HIGHTOWER STATE UNIT		003			
7. OGRID No.	8. Operator	Name	9. Elevation			
15363	MURCHISON OIL & GAS INC		4241			

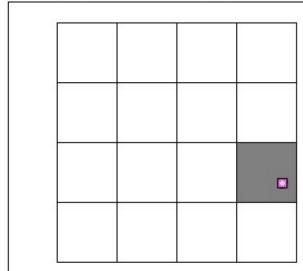
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	27	12S	33E		1750	S	330	E	LEA

11. Bottom Hole Location If Different From Surface

	LLI DOVINGE LIGHT DOVELOR LE DELICITOR DELICIT										
UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
10757475333	12. Dedicated Acres 40.00		Joint or Infill		14	. Consolidation (Code			15. 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 unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this 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.

E-Signed By: Michael Daugherty

Title: President Date: 8/29/2008

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.

Surveyed By: Gary Jones Date of Survey: 8/2/2008 Certificate Number: 7977

Permit Comments

Operator: MURCHISON OIL & GAS INC , 15363 Well: HIGHTOWER STATE UNIT #003

API: 30-025-39130

Created By	Comment	Comment Date
MSDAUGHERTY	Proposed Blowout Prevention Program: We respectfully request a variance for the 13-3/8" surface casing and BOP testing from Onshore Order No. 2, which states all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. During the running of the surface casing and the drilling of the intermediate hole, we do not anticipate pressures greater than 1000 psi, and we are requesting a variance to test the 13-3/8" casing and BOP system to 1000 psi and to use the rig pumps instead of	8/29/2008
DMULL	Received form C-144, "Pit Registration". OCD Permit Number P1-00415.	9/8/2008