

District I
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Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-103
August 1, 2011

Permit 151263

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-40130
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator MURCHISON OIL & GAS INC		6. State Oil & Gas Lease No.
3. Address of Operator 1100 Mira Vista Blvd., Plano, TX 75093		7. Lease Name or Unit Agreement Name POLAR BEAR STATE COM
4. Well Location Unit Letter <u>H</u> : <u>2260</u> feet from the <u>N</u> line and <u>150</u> feet from the <u>E</u> line Section <u>1</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 004H
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3668 GR.		9. OGRID Number 15363
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Pool name or Wildcat

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other: _____		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Drilling/Cement <input checked="" type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
 6/2/12 - 6/6/12 - Core from 3911' to 3941'. Resume drilling 7 7/8" hole to 4150' & run open hole logs.

6/7/12 6/10/12 - Set cmt plug from 4150' - 3700' (see details attached)
 See Attached
 5/18/2012 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
05/20/12	Surf	FreshWater	12.25	9.625	36	J-55	300	371	380		C		2500	0	N
05/20/12	Surf	FreshWater	12.25	9.625	36	J-55	170	371	45	1.34	C	300	2500	0	N
05/20/12	Surf	FreshWater	12.25	9.625	36	J-55	0	371	133	1.34	C	170	2500	0	N
06/16/12	Int1	Brine	8.75	7	26	L-80	650	3896	725		C		1500	0	N

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE COO DATE 7/3/2012
 Type or print name Michael Daugherty E-mail address ccottrell@jdmii.com Telephone No. 972-931-0700

For State Use Only:

APPROVED BY: Randy Dade TITLE District Supervisor DATE 7/3/2012 11:20:49 AM

Polar Bear 4H

6/7/12 - 6/10/12 - Set cmt plug from 4150' - 3700' w/150 sx Class C cmt + 2% CaCl₂ + 0.25% R-38 mixed at 14.8 ppg, 1.35 yield, 6.34 GPS wtr. Displace w/35 bbls. POOH to 3700'. Circ & clean hole. Test lines to 3K. Pump 10 bbl spacer followed w/195 sx Class C + 0.3% C-35 + 0.25% R-38, mixed at 15.8 ppg, yield 1.15, 4.98 GPS wtr. Displace w/ 2 bbls fresh wtr & 29 bbls brine. WOC 22.5 hrs.

Polish to 3310' & set second cement plug for side track from 3160' to 3310' w/77 sx Class C cmt + 1% CaCl₂ + 1.2% C-35 + .25% R-38 mixed at 17 ppg, yield 1.01; displace w/2 bbls wtr & 29 bbls mud. WOC 22 hrs. Tag cmt at 3165' & polish to 3173' and start time drill.

6/10/12 – 6/16/12 - Drilled 8 3/4 in. hole to 3896 ft. & ran 7 in. casing as follows:

1 Casing Shoe – 1.0 ft.
2 Jt. 7" 26# L-80 New API LTC 8RD R3– 82.95 ft.
1 Float Collar – 1.0 ft.
92 Jts. 7" 26# L-80 New API LTC 8RD R3- 3816.59 ft.
Total – 3901.54 ft.

Set casing @ 3896 ft.

Cement:

Lead: w/475 SKS 157 bbls CLASS C 35/65 + 6% BENTONITE + 0.3% C-16

Tail: w/250 SKS 59 bbls CLASS C + 0.4% 16A + 0.25% R-38.

Drop bottom plug. Displaced with 147.63 bbls brine. Bump plug with 1350psi. Went 500 psi over and plugs held. Bled back 1.5 bbls. No cement returns on surface.

Wait for more cement. Ran a temperature log and found top of cement at 650 ft.

6/17/12 – 6/24/12 Nipple up BOP and test to 250 psi low and 5000 psi high. Test annular to 250 psi low and 1500 psi high. Held OK. Trip in hole w/ 6 1/8 in. bit. WOC total of 28 hrs. Drill cement & float collar & shoe. Resume drilling formation at 3896 ft.

Drill to 6590 ft. & twist off lower part of motor. TD of well called TOOH reamer run & run 14 stage Baker sliding sleeve completion to a depth of 6569'. Csg pkr set at 3725'.