

District I
1625 N. French Dr., Hobbs, NM 88240
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
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
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
August 1, 2011

Permit 152684

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 30-015-40042
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 GRIZZLY BEAR STATE COM
4. Well Location Unit Letter <u>I</u> : <u>1550</u> feet from the <u>S</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 002H
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3716 GR.		9. OGRID Number 15363
Pit or Below-grade Tank Application ☐ or Closure ☐ 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 ☐ PLUG AND ABANDON ☐ TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐ PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐ Other: _____		SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTER CASING ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐ CASING/CEMENT JOB ☐ Other: Drilling/Cement ☒
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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.
 7/21/12 - 7/23/12 - Drilled 12 1/4" hole to 377' & ran 9 5/8" casing (see details attached).
 See Attached
 7/21/2012 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
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	90	377	485	1.35	C				N
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	60	377	50	1.35	C	90			N
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	60	377	50	1.35	C	60			N
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	60	377	50	1.35	C	60			N
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	30	377	165	1.35	C	60			N
07/23/12	Surf	FreshWater	12.25	9.625	36	J-55	0	377	35	1.35	C	30			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 7/27/2012
 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 7/31/2012 10:51:05 AM

Grizzly Bear State Com #2H

9 5/8" Casing Sundry

7/21/12 – 7/24/12 - Drilled 12-1/4 in. hole to 377 ft. & set 9-5/8 in. casing.

Cement w/485 sx Class C + 2% CACL2 + 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. Displaced with 25.6 bbls fresh water. No cement returns to surface.

Run grout string between annulus and 9 5/8" casing to 90'. Perform top job with 100 sx Class C + 2% CACL2, 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. No returns. POOH & WOC.

Run grout string between annulus and 9 5/8" casing to 60'. Perform top job with 50 sx Class C + 2% CACL2, 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. No returns. POOH & WOC.

Run grout string between annulus and 9 5/8" casing to 60'. Perform top job with 50 sx Class C + 2% CACL2, 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. No returns. POOH & WOC.

Run grout string between annulus and 9 5/8" casing to 60'. Perform top job with 165 sx Class C + 2% CACL2, 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. Partial returns. POOH & WOC.

Run grout string between annulus and 9 5/8" casing to 30'. Perform top job with 35 sx Class C + 2% CACL2, 0.25% R-38; 14.8 ppg, yield 1.35 gal/sk. Full returns; 10 bbls to surface. POOH & WOC.

7/24/12 – 7/26/12 Test annular to 250 psi low and 2500 psi high; OK. Test rams; found leak; installed new rams. Test pipe rams & blind rams to 250 psi low & 5000 psi high; OK. TIH w/ 8-3/4 in. bit; tag cmt at 317'; drill cmt & float collar to 337'. Test csg to 1500 psi for 30 min.; held OK. WOC total of 36 hrs. Drill cement, shoe & 10' new formation to 387'.