

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
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 153467

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 ☒

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.
7/26/12 - 8/1/12 - Drilled 8 3/4" hole to 3,885' & ran 7" csg (see attached).

8/8/12 Reached TD at 8,414'.

8/10/12 - 8/11/12 - Ran 4.5" liner & set at 8,414'.

8/12/12 - Release rig at 12 AM.

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
08/01/12	Int1	Brine	8.75	7	26	L-80	0	3885	1065	1.92	C		5000		N
08/01/12	Int1	Brine	8.75	7	26	L-80	0	3885	260	1.33	C		5000		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 8/14/2012
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 8/14/2012 12:50:59 PM

Grizzly Bear State Com #2H

7/26/12 – 8/1/12 - Drilled 8 3/4 in. hole to 3885 ft. & ran 7 in. casing as follows:

1 Casing Shoe – 1.0 ft.
2 Jt. 7" 26# L-80 New API LTC 8RD R3 – 85.78 ft.
1 Float Collar – 1.0 ft.
92 Jts. 7" 26# L-80 New API LTC 8RD R3- 3801.79 ft.
Total – 3889.57 ft.

Set casing @ 3885 ft.

8/1/12 - Cement:

Lead: w/1065 SKS CLASS C 65/36 + 6% BENTONITE + 0.3% C-15 + 2# Star-Seal + 1% CaCl₂ + 5% Salt + 0.25 % R-38 mixed at 12.2 & 12.8 ppg, yld 1.92; total slurry of 30/340.2 bbls.

Tail: w/260 SKS CLASS C + 0.25% R-38 mixed at 14.8 ppg, yld 1.33; total slurry of 61.5 bbls.

Drop bottom plug. Displaced with 146 bbls water. 85 bbls cement returns on surface.

8/2/12 – 8/3/12 Nipple up BOP and test to 250 psi low and 5000 psi high. Test annular to 250 psi low and 2500 psi high. Held OK. Trip in hole w/ 6 1/8 in. bit. WOC total of 45 hrs. Drill cement & float collar & shoe. Resume drilling formation with 6.125" bit at 3885 ft.

8/8/12 – Reached 8,414' TD

8/10/12 – 8/11/12 Ran 98 jts 4.5", 11.6# N-80 liner with 20 stage Baker completion system from 3846' to 8414'. Set packers & tested annulus to 1500 psi.

Rig released at 12 AM on 8/12/12.