



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

February 19, 2002

Lori Wrotenbery

Director

Oil Conservation Division

Murchison Oil & Gas, Inc.
1100 Mira Vista Blvd.
Plano, Texas 75093-4698
Attention: Michael S. Daugherty

Telefax No. (972) 931-0701

Administrative Order NSL-4702

Dear Mr. Daugherty:

Reference is made to the following: (i) your application (*application reference No. pKRV0-203654132*) submitted to the New Mexico Oil Conservation Division ("Division") on January 31, 2002; (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe dated February 8, 2002 with a question regarding notification; (iii) your telefaxed response of February 19, 2002 with the necessary information to complete this application; and (iv) the Division's records in Santa Fe and Artesia: all concerning Murchison Oil & Gas, Inc.'s request for an unorthodox Wolfcamp oil well location for its High Mesa State Com. Well No. 1 (API No. 30-015-31720), which was recently drilled to test both the Undesignated North Empire-Atoka Gas Pool and Undesignated South Empire-Morrow Gas Pool underlying a standard 318.64-acre stand-up gas spacing and proration unit comprising Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of irregular Section 2, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Pursuant to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, the well's location, being 1320 feet from the South line and 1000 feet from the East line (Unit P) of irregular Section 2, is considered to be "standard" for this unit.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

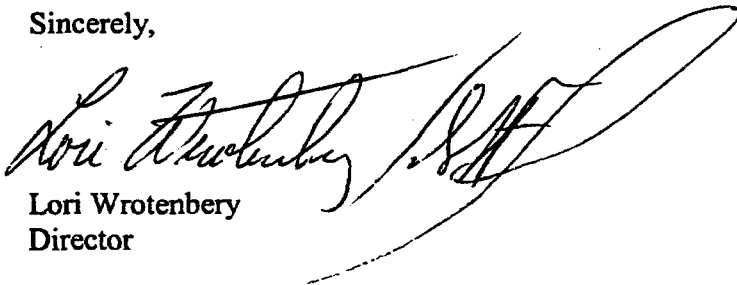
It is the Division's understanding after reviewing your application and its records that this well was permitted by Murchison only as a Morrow gas test within the aforementioned 318.64-acre unit (see the "*Application for Permit to Drill*" dated April 16, 2001); the well was subsequently spud on June 15, 2001, drilled to a total depth of 10,436 feet, whereby the Morrow test is described as "not successful." The shallower Atoka interval was subsequently tested and completed on October 5, 2001. However, this production is considered to be marginal and Murchison now intends to recomplete up-hole into the Wolfcamp formation (to be within the governing limits of the proposed *North Anderson-Wolfcamp Pool*) with perforations from 7,510 feet to 7,524 feet. Pursuant to Division Rule 104.B (1), as revised, this Wolfcamp oil location is considered to be "unorthodox" for the standard 40-acre oil spacing and proration unit to be dedicated to this well comprising the SE/4 SE/4 (Unit P) of irregular Section 2.

By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox Wolfcamp oil well location is hereby approved.

PLEASE NOTE HOWEVER THAT IN THE FUTURE, Murchison, as a prudent operator, shall take all necessary steps to locate wells at a location considered to be standard for all possible zones to be encountered and should be more cognizant of well location requirements for different producing horizons within the immediate area of operations. Any future disregard to the Division's well spacing rules with respect to secondary intervals may subject all such future requests to the Division's hearing process.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

97183

County Eddy

Pool North Anderson-Wolfcamp

TOWNSHIP

17 South

Range

28 East

NMPM

| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

Description: NE 1/4 Sec 11 (R-11745, 3-18-02)

Sec : 02 Twp : 17S Rng : 28E Section Type : NORMAL

| | | | |
|--|---|--|---|
| <p>4 39.22 CS B02178 0016 CONOCOPHILLIPS & 10/10/43</p> | <p>3 39.26 CS B02178 0016 CONOCOPHILLIPS & 10/10/43</p> | <p>2 39.30 CS E09782 0001 B. RESLER KARLSRUD C U 02/21/66</p> | <p>1 39.34 CS E09782 0001 B. RESLER KARLSRUD C U 02/21/66 A</p> |
| <p>E 40.00 CS B02178 0016 CONOCOPHILLIPS & 10/10/43</p> | <p>F 40.00 CS B02178 0016 CONOCOPHILLIPS & 10/10/43 A</p> | <p>G 40.00 CS E09782 0001 B. RESLER KARLSRUD C U 02/21/66 P</p> | <p>H 40.00 CS E09782 0001 B. RESLER KARLSRUD C U 02/21/66 A A</p> |
| <p>L 40.00 CS V05660 0000 MURCHISON OIL & G 12/01/04</p> | <p>K 40.00 CS B02178 0016 CONOCOPHILLIPS & 10/10/43</p> | <p>J 40.00 CS V05660 0000 MURCHISON OIL & G 12/01/04 C</p> | <p>I 40.00 Fee owned C P</p> |
| <p>M 40.00 CS V05660 0000 MURCHISON OIL & G 12/01/04 A</p> | <p>N 40.00 CS B02178 0016 CONOCOPHILLIPS & 10/10/43</p> | <p>O 40.00 CS V05660 0000 MURCHISON OIL & G 12/01/04 C A</p> | <p>P 40.00 Fee owned C A</p> |

CMD : ONGARD 04/02/04 12:44:09
OG6IWCMD INQUIRE WELL COMPLETIONS OGOMES -TPNU

API Well No : 30 15 32176 Eff Date : 01-29-2004 WC Status : P
Pool Idn : 75720 CROW FLATS;MORROW (GAS)
OGRID Idn : 15363 MURCHISON OIL & GAS INC
Prop Idn : 29244 HUGGIE BEAR STATE COM

Well No : 001
GL Elevation: 3573

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : H 2 17S 28E FTG 1420 F N FTG 990 F E P
Lot Identifier:
Dedicated Acre:
Lease Type : S
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

RECEIVED

Submit 3 Copies To Appropriate District
OfficeState of New Mexico
Energy, Minerals and Natural Resources

JAN 29 2004

Form C-103

Revised March 25, 1999

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505OCD-ARTESIA
WELL NO.
30-015-32176

5. Indicate Type of Lease

STATE ☒ FEE ☐6. State Oil & Gas Lease No.
E-9782

7. Lease Name or Unit Agreement Name:

HUGGIE BEAR ST. COM.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

MURCHISON OIL & GAS, INC.

8. Well No.

1

3. Address of Operator

1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698

9. Pool name or Wildcat
CROW FLATS - MORROW

4. Well Location

Unit Letter H : 1420 feet from the NORTH line and 990 feet from the EAST lineSection 2 Township 17S Range 28E NMPM County EDDY10. Elevation (Show whether DR, RKB, RT, GR, etc.)
GL 3573' KDB 3595'

11. 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 PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒CASING TEST AND CEMENT JOB ☐OTHER: ☐

12. 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.

Drilled 8-1/2" hole to a depth of 10422'. Logged well and decided to plug and abandon well as follows. Pump plugs as follows:

Plug #1 10020' - 9920' w/ 42 SXS Class "H"

Plug #2 9160' - 9060' w/ 47 SXS Class "H"

Plug #3 6741' - 6641' w/ 47 SXS Class "H"

Plug #4 5591' - 5491' w/ 41 SXS Class "H"

Plug #5 3704' - 3604' w/ 45 SXS Class "H"

Plug #6 2235' - 2120' w/ 50 SXS Class "C"

WOC, Tag top of cement @ 2150'

Plug #7 254' - 160' w/ 50 SXS Class "C"

WOC, Tag top of cement @ 95'

Plug #8 0' - 64' w/ 30 SXS Class "C"

Circulate 3 SXS to surface

Nipple down BOP and cut off wellhead and install 4 x 4 P&A marker. Release rig 0200 Hr. 4/30/03. Wellbore schematic attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael S. Daugherty TITLE VICE PRESIDENT OPERATIONS DATE 5/12/03

Type or print name MICHAEL S. DAUGHERTY

(This space for State use)

Telephone No. (972) 931-0700

APPROVED BY [Signature]TITLE [Signature]

DATE

JAN 29 2004

Conditions of approval, if any:

Submit To Appropriate District Office

State Lease - 6 copies

Fee Lease - 5 copies

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105

Revised March 25, 1999

WELL API NO.
30-015-32176

5. Indicate Type of Lease

STATE ☒ FEE ☐

State Oil & Gas Lease No. E-9782

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. Type of Completion:

NEW ☐ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☒ OTHER P&A

2. Name of Operator

MURCHISON OIL & GAS, INC.

3. Address of Operator

1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698

7. Lease Name or Unit Agreement Name

HUGGIE BEAR ST. COM.

8. Well No.

1

9. Pool name or Wildcat

CROW FLATS - MORROW 75720

4. Well Location

Unit Letter H 1420 Feet From The NORTH Line and 990 Feet From The EAST LineSection 2 Township 17S Range 28E NMPM EDDY County

10. Date Spudded

4/1/03

11. Date T.D. Reached

4/28/03

12. Date Compl. (Ready to Prod.)

13. Elevations (DF& RKB, RT, GR, etc.)

GL 3573'

RKB 3595'

14. Elev. Casinghead

15. Total Depth

10422'

16. Plug Back T.D.

P&A'd

17. If Multiple Compl. How Many Zones?

N/A

18. Intervals Drilled By

Rotary Tools

10422'

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

N/A

20. Was Directional Survey Made

NO

21. Type Electric and Other Logs Run

LATEROLOG ARRAY, GR, CNDL

22. Was Well Cored

NO

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 13-3/8" | 68 #/FT | 210' | 17-1/2" | 250 | NONE |
| 9-5/8" | 43.5 #/FT | 2170' | 12-1/4" | 1450 | NONE |
| | | | | | |
| | | | | | |

24. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN |
|------|-----|--------|--------------|--------|
| | | | | |
| | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET | PACKER SET |
|------|-----------|------------|
| | | |
| | | |

26. Perforation record (interval, size, and number)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL

AMOUNT AND KIND MATERIAL USED

28

PRODUCTION

| | | | | | | |
|-----------------------|---|-------------------------|------------------------|-----------|--------------------------------|---------------------------|
| Date First Production | Production Method (Flowing, gas lift, pumping - Size and type pump) | | | | Well Status (Prod. or Shut-in) | |
| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF | Water - Bbl |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity API - (Corr.) |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

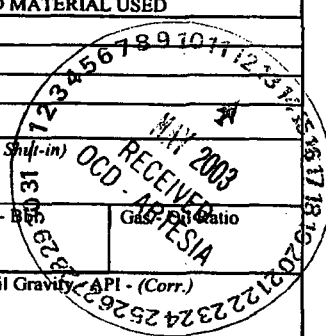
Signature

Michael S. Daugherty

Printed

Name MICHAEL S. DAUGHERTY V P OPERATIONS

Date 5/12/03



INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | | Northwestern New Mexico | | |
|-------------------------|------|--|-------------------------|--|------------------|
| T. Anhy | | | T. Ojo Alamo | | T. Penn. "B" |
| T. Salt | | | T. Kirtland-Fruitland | | T. Penn. "C" |
| B. Salt | | | T. Pictured Cliffs | | T. Penn. "D" |
| T. Yates | | | T. Cliff House | | T. Leadville |
| T. 7 Rivers | | | T. Menefee | | T. Madison |
| T. Queen | 1347 | | T. Point Lookout | | T. Elbert |
| T. Grayburg | 1601 | | T. Mancos | | T. McCracken |
| T. San Andres | 2142 | | T. Gallup | | T. Ignacio Otzte |
| T. Glorieta | 3526 | | Base Greenhorn | | T. Granite |
| T. Paddock | | | T. Dakota | | T. |
| T. Blinebry | | | T. Morrison | | T. |
| T. Tubb | 4884 | | T. Todilto | | T. |
| T. Drinkard | | | T. Entrada | | T. |
| T. Abo | 5590 | | T. Wingate | | T. |
| T. Wolfcamp | 6748 | | T. Chinle | | T. |
| T. Penn | | | T. Permian | | T. |
| T. Cisco (Bough C) | 7966 | | T. Penn "A" | | T. |

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology | From | To | Thickness In Feet | Lithology |
|------|-------|----------------------|---------------------------------|------|----|----------------------|-----------|
| 2180 | 3900 | 1720 | DOLOMITE & ANHYDRITE | | | | |
| 3900 | 5560 | 1660 | DOLOMITE, SAND & ANHYDRITE | | | | |
| 5560 | 6800 | 1240 | DOLOMITE, ANHYDRITE & SHALE | | | | |
| 6800 | 9820 | 3020 | LIME, DOLOMITE & SHALE | | | | |
| 9820 | 10421 | 601 | DOLOMITE, LIME, SAND & SHALE | | | | |

Clear



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

GEOLOGICAL TOPS

**Murchison Oil & Gas, Inc.
Huggie Bear State Com. #1
Unit H, Sec. 2, T-17-S R-28-E
1420' FNL & 990' FEL
(G.L.-3576'; K.B.-3598')
Eddy Co., N.M.
30-015-32176**

Geological Tops per/Bryan G. Arrant-OCD

| | |
|----------------------|---------------|
| Bowers | 1150' |
| Queen | 1347' |
| Grayburg | 1601' |
| San Andres | 2142' |
| Glorieta | 3526' |
| Tubb | 4884' |
| Abo | 5590' |
| Wolfcamp | 6748' |
| Pennsylvanian | 8082' |
| Canyon | 8591' |
| Strawn | 9192' |
| Atoka | 9648' |
| Chester | 10088' |

MURCHISON OIL & GAS INC

FILE WLBHB1

12-May-03

HUGGIE BEAR ST #1
SEC 2 T-17S R-28E
1420' FNL & 990' FEL
EDDY COUNTY NEW MEXICO
30-015-32176

P&A'D WELLBORE SKETCH

KDB @ 3595'
GL @ 3573'

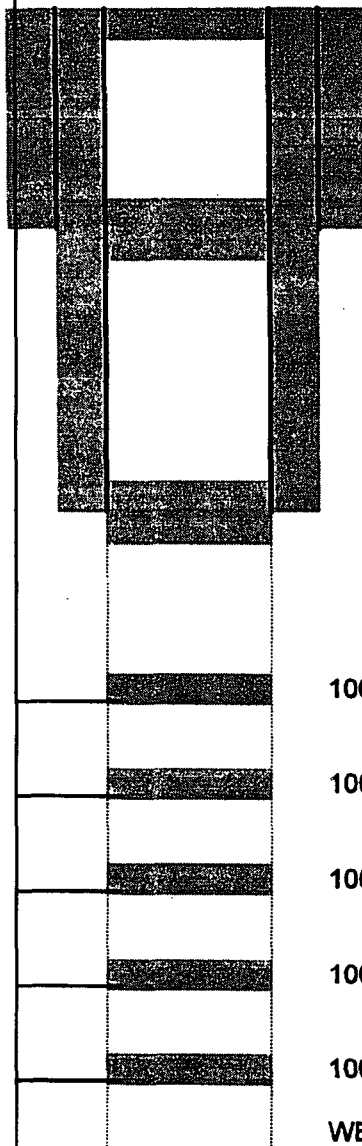
YESO TOP @ 3690'

ABO TOP @ 5590'

WOLFCAMP TOP @ 6748'

STRAWN TOP @ 9178'

MORROW TOP @ 10008'



64' CMT PLUG @ SURFACE

13-3/8" 68 #/FT J-55 BUTT @ 210'

159' CMT PLUG @ 254' TO 95'

9-5/8" 43.5 #/FT P-110 LT&C SET @ 2170'

115' CMT PLUG @ 2235' TO 2150'
TAG PLUG @ 2150'

100' CMT PLUG @ 3704' TO 3604'

100' CMT PLUG @ 5591' TO 5491'

100' CMT PLUG @ 6741' TO 6641'

100' CMT PLUG @ 9160' TO 9060'

100' CMT PLUG @ 10020' TO 9920'

WELL TD 10418'



Submit 3 Copies To Appropriate District Office
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

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 220 South St. Francis Dr.
 Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-32176 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. E-9782 |
| 7. Lease Name or Unit Agreement Name: HUGGIE BEAR ST. COM. |
| 8. Well No. 1 |
| 9. Pool name or Wildcat CROW FLATS - MORROW |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
 MURCHISON OIL & GAS, INC.

3. Address of Operator
 1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698

4. Well Location
 Unit Letter H : 1420 feet from the NORTH line and 990 feet from the EAST line
 Section 2 Township 17S Range 28E NMPM County EDDY

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 GL 3383' RKB 3405'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|--|--|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

12. 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.

Drill 12-1/4" hole to a depth of 2171'. Run casing as follows:

| | |
|-------------------------------------|-------|
| Float Shoe | 1' |
| 1 Jt. 9-5/8" 43.50 #/FT P-110 LTC | 44' |
| Float Collar | 1' |
| 54 Jts. 9-5/8" 43.50 #/FT P-110 LTC | 2130' |
| | 2176' |

Set casing @ 2170'. Cement casing with 1250 SXS 35:65:6 + 2% CACL + 1/4 #/SX Celloflake followed by 200 SXS Class "C" + 2% CACL. Circulated 235 SXS to reserve pit. Plug down @ 4:10 PM 4/5/03. Floats held. Nipple down BOP and nipple up "B" Sec. Test BOP to 5000 PSI. Test casing to 1000 PSI. OK. WOC for total of 30 Hrs. Drill plug and cement. Resume drilling formation w/ 8-1/2" bit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael S. Daugherty TITLE V P OPERATIONS DATE 4/7/03

Type or print name MICHAEL S. DAUGHERTY Telephone No. (972) 931-0700

(This space for State use) District Supervisor

APPROVED BY [Signature] TITLE District Supervisor DATE APR 10 2003

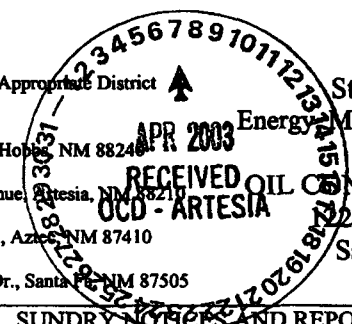
Conditions of approval, if any:

S

Submit 3 Copies To Appropriate District Office
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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

Form C-103
Revised March 25, 1999



WELL API NO.
30-015-32176

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E-9782

7. Lease Name or Unit Agreement Name:

HUGGIE BEAR ST. COM.

SUNDRY NOTICES AND REPORTS ON WELLS
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Oil Well ☐ Gas Well ☒ Other

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MURCHISON OIL & GAS, INC.

8. Well No.
1

3. Address of Operator
1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698

9. Pool name or Wildcat
CROW FLATS MORROW

4. Well Location

Unit Letter H : 1420 feet from the NORTH line and 990 feet from the EAST line

Section 2 Township 17S Range 28E NMPM County EDDY

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
GL 3383' RKB 3405'

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NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☒

OTHER: ☐

12. 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 recompilation.

Spud well 0600 4/1/03 and drill a 17-1/2" hole to 215'. Ran 13-3/8" casing as follows:

| | |
|---------------------------------|------|
| Shoe | 1' |
| 1 Jt 13-3/8" 68 #/FT J-55 Butt | 30' |
| Insert Float | |
| 6 Jts 13-3/8" 68 #/FT J-55 Butt | 187' |
| | 218' |

Casing set @ 210'. Cement w/ 250 SXS CL "C" + 2% CACL + 1/4 #/SX Cellofiak. Circulate 50 SXS to reserve pit. Plug down @ 1700 HR 4/1/03. Floats held. WOC 4 Hr. Cut off conductor and weld on head. Test to 500 PSI. Nipple up BOP. Test BOP to 500 PSI. Pick up BHA and TIH. WOC total 18 Hr. Drill cement & plug. Test casing to 500 PSI. Resume drilling 12-1/4" hole.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael S. Daugherty TITLE V P OPERATIONS DATE 4/4/03

Type or print name MICHAEL S. DAUGHERTY

Telephone No. (972) 931-0700

(This space for State use)

APPROVED BY Blaine W. Green TITLE District Supervisor

DATE APR 9 2003

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office

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

RECEIVED OIL CONSERVATION DIVISION

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

5
Form C-103
Revised March 25, 1999

WELL API NO.
30-015-32176

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

HUGGIE BEAR STATE COM

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
MURCHISON OIL & GAS, INC.

8. Well No.

1

3. Address of Operator
1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698

9. Pool name or Wildcat
CROW FLATS MORROW

4. Well Location

Unit Letter H : 1420 feet from the NORTH line and 990 feet from the EAST line

Section 2 Township 17S Range 28E NMPM County EDDY

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. 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 PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: INTENT TO MOVE LOCATION TO DRILL ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. 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.

Murchison Oil & Gas, Inc. staked and permitted the Huggie Bear State Com #1 on January 30, 2002 at 660' FNL & 990' FEL, Sec. 2, T17S, R28E. This filing serves to request that the Drilling permit be amended to move the location to 1420' FNL & 990' FEL, Sec. 2, T17S, R28E, Eddy County, NM. A C-102 Survey Plat for the amended location along with the original Application for Permit to Drill are attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael S. Daugherty TITLE VICE PRESIDENT OPERATIONS DATE 3/4/03

Type or print name MICHAEL S. DAUGHERTY

Telephone No. (972) 931-0700

(This space for State use)

APPROVED BY John W. Brown TITLE District Supervisor

DATE MAR 10 2003

Conditions of approval, if any:

District I
PO Box 1910, Hobbs, NM 88240-1910
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|----------------------------|
| Operator Name and Address: MURCHISON OIL & GAS, INC. 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698 | | OCRID Number 015363 |
| Property Code 29244 | | API Number 30-015-32176 |
| Property Name HUGGIE BEAR STATE COM | | Well No. 1 |

| Surface Location | | | | | | | | | |
|------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| H | 2 | 17-S | 28-E | 1422 | 990 | NORTH | 990 | EAST | EDDY |

| Proposed 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 | |
| Crew Flats | | | | | Proposed Pool 1 | | | | | Proposed Pool 2 |
| SOUTH-EAST MORROW (GAS), South 957 | | | | | | | | | | |

| | | | | |
|---------------------|-------------------------|------------------------|-----------------------|----------------------------------|
| Work Type Code N | Well Type Code G | Cable/Rotary ROTARY | Lease Type Code S | Ground Surface Elevation 3576 |
| Multiple N/A | Proposed Depth 10300 | Formation MORROW | Contractor UNKNOWN | Spud Date 3/1/02 |

Proposed Casing and Cement Program

| Well Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|-----------------|
| 17-1/2 | 13-3/8 | 61 #/FT | 200' 400' | 470 SXS | SURFACE |
| 12-1/4 | 9-5/8 | 47 #/FT | 150' | 600 SXS | SURFACE |
| 7-7/8 | 5-1/2 | 17 #/FT | 10300' | 640 SXS | EST TOC @ 6500' |
| | | | | | |
| | | | | | |

" Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on none. Describe the blowout prevention program, if any. Use additional sheets if necessary.

DRILL, CASE & COMPLETE WELL IN MORROW FORMATION

Cement to cover all oil, gas and water bearing zones

BOP'S INCLUDE 1) HYDRILL DOUBLE RAM 11" x 3000 PSI

2) CHOKE MANIFOLD 4" x 5000 PSI FLANGED CONNECTIONS

3) SIX STATION ACCUMULATOR CLOSING UNIT W/ REMOTE CONTROL

" I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

MICHAEL S. DAUGHERTY

Title:

VICE PRESIDENT OPERATIONS

Date:

1/25/02

Phone:

(972) 931-0700

| | |
|---------------------------|-----------------------------------|
| OIL CONSERVATION DIVISION | |
| Approved by: | ORIGINAL SIGNED BY TIM W. GUN |
| Title: | DISTRICT II SUPERVISOR |
| Approval Date: | Expiration Date: |
| Conditions of Approval: | Attached <input type="checkbox"/> |

District I
1825 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|---|
| API Number 30-015-32176 | Pool Code 76400 | Pool Name SOUTH EMPIRE MORROW (GAS) |
| Property Code | Property Name HUGGIE BEAR STATE COM | Well Number 1 |
| OGRID No. 015363 | Operation Name MURCHISON OIL & GAS, INC. | Elevation 3573 |

Surface Location


| UL or Lot No. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|-------------|
| H | 2 | 17-S | 28-E | | 1420 | NORTH | 990 | EAST | EDDY |

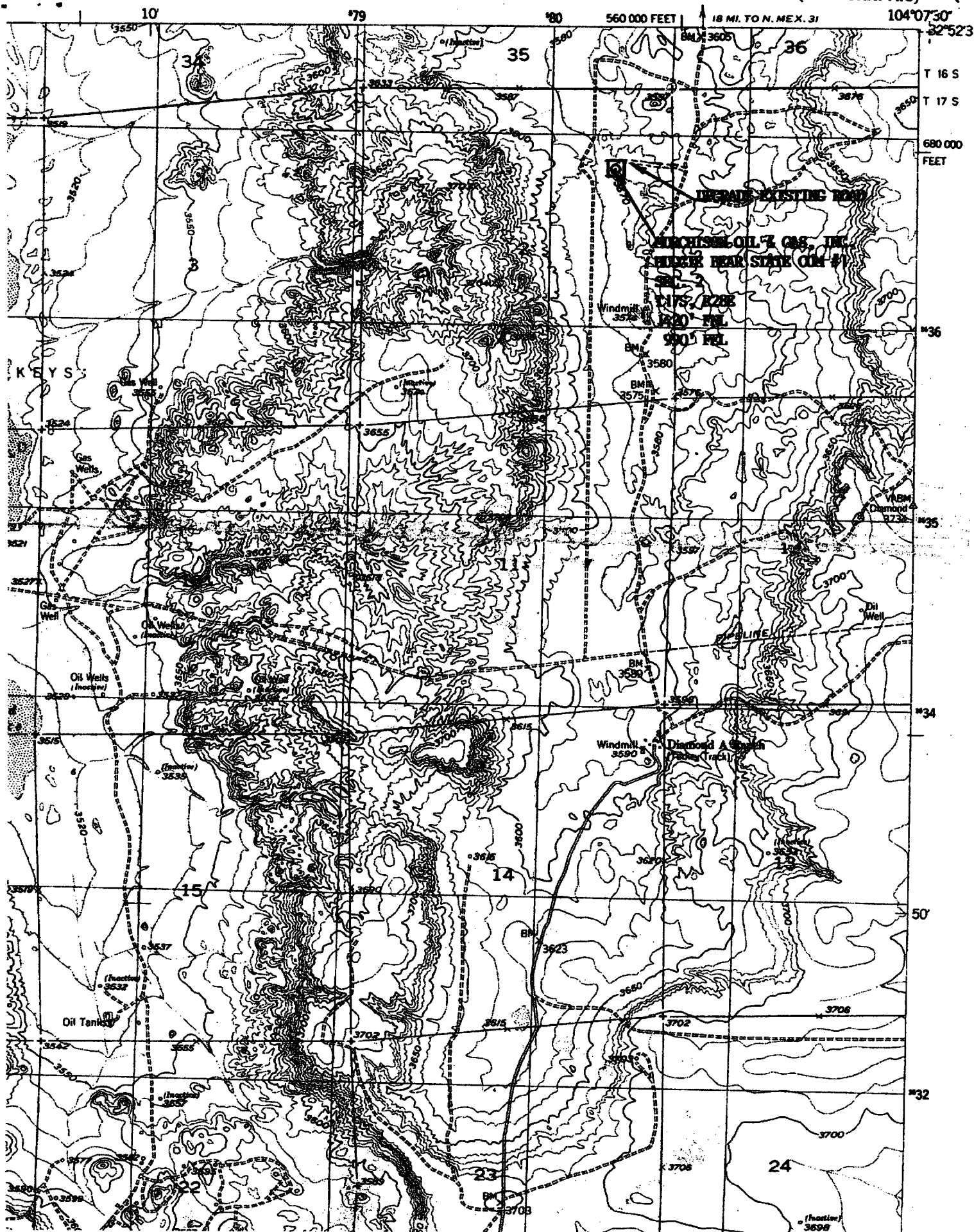
Bottom Hole Location If Different From Surface

| UL or Lot No. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. |
|-------------------------------|-----------------|--------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | | |
|---|--|--|--|--|
|  | <p>SPACING UNIT</p> <p>←</p> | | <p>1420'</p> <p>990'</p> <p>EXISTING ATOKA PRODUCING WELL</p> <p>→</p> | <p>OPERATOR CERTIFICATION</p> <p>I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> |
| | <p>Signature <i>Michael S. Daugherty</i></p> <p>Printed Name MICHAEL S. DAUGHERTY</p> <p>Title VICE PRESIDENT OPERATIONS</p> <p>Date 3/4/03</p> | | | <p>SURVEYOR CERTIFICATION</p> <p>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 KNOWLEDGE AND BELIEF.</p> |
| | <p>FEBRUARY 21, 2003</p> <p>Date of Survey R. REDD</p> <p>Signature and Seal of Professional Surveyor</p> | | | <p>5412</p> <p>NEW MEXICO</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p> |
| | | | | |



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

CISE
DMM
SKP

Form C-101
Revised February 10, 1994
Instructions on back
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Fee Lease - 5 Copies

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OCD - ARTESIA

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|----------------------------|
| Operator Name and Address. MURCHISON OIL & GAS, INC. 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698 | | OGRID Number 015363 |
| | | API Number 30-015-32176 |
| Property Code 29244 | Property Name HUGGIE BEAR STATE COM | Well No. 1 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 2 | 17-S | 28-E | | 660 | NORTH | 990 | EAST | EDDY |

Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the | North/South line | Feet from the | East/West line | County | |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|-----------------|
| Craw Flats | | | | | Proposed Pool 1 | | | | | Proposed Pool 2 |
| SOUTH-EMBERS MORROW (GAS), Southeast | | | | | | | | | | |

| | | | | |
|---------------------|-------------------------|------------------------|-----------------------|---------------------------------|
| Work Type Code N | Well Type Code G | Cable/Rotary ROTARY | Lease Type Code S | Ground Level Elevation 3576' |
| Multiple N/A | Proposed Depth 10300 | Formation MORROW | Contractor UNKNOWN | Spud Date 3/1/02 |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|-----------------|
| 17-1/2 | 13-3/8 | 61 #/FT | 200' - 480' | 470 SXS | SURFACE |
| 12-1/4 | 9-5/8 | 47 #/FT | 150' | 600 SXS | SURFACE |
| 7-7/8 | 5-1/2 | 17 #/FT | 10300' | 640 SXS | EST TOC @ 6500' |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on U zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

DRILL, CASE & COMPLETE WELL IN MORROW FORMATION

Cement to cover all oil, gas and water bearing zones

BOP'S INCLUDE 1) HYDRILL DOUBLE RAM 11" x 3000 PSI

2) CHOKE MANIFOLD 4" x 5000 PSI FLANGED CONNECTIONS

3) SIX STATION ACCUMULATOR CLOSING UNIT W/ REMOTE CONTROL

| | | | |
|--|-----------------------|--|------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Michael S. Daugherty</i> | | OIL CONSERVATION DIVISION | |
| Printed name: MICHAEL S. DAUGHERTY | | Approved by: ORIGINAL SIGNED BY TIM W. GUM | |
| Title: VICE PRESIDENT OPERATIONS | | Title: DISTRICT II SUPERVISOR | |
| Date: 1/25/02 | Phone: (972) 931-0700 | Approval Date: JAN 30 2002 | Expiration Date: JAN 30 2003 |
| | | Conditions of Approval: Attached <input type="checkbox"/> | |

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1984
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|---------------------|--|--|
| API Number | Pool Code 76400 | Pool Name SOUTH EMPIRE MORROW (GAS) |
| Property Code | Property Name HUGGIE BEAR STATE | Well Number 1 |
| OGRID No. 015363 | Operator Name MURCHISON OIL & GAS, INC. | 3503' 3576 |

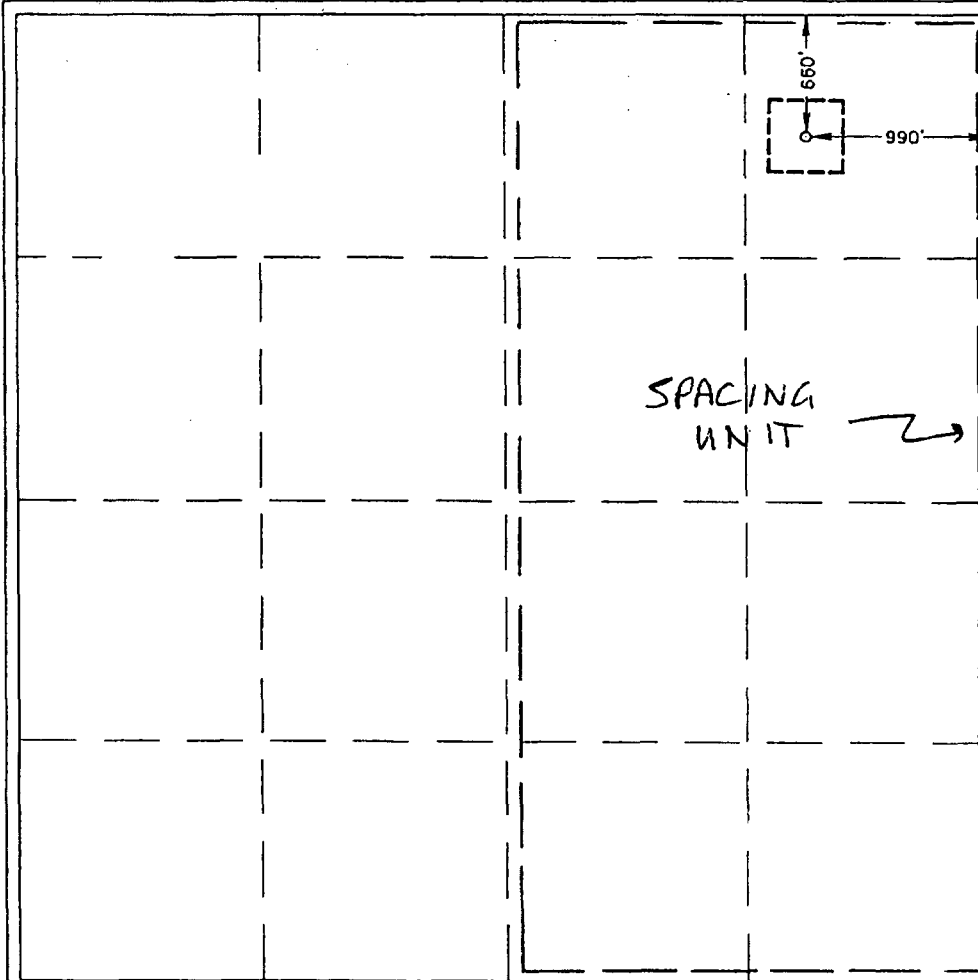
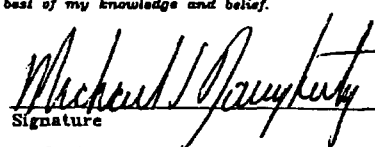
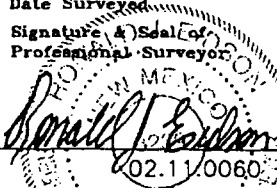
Surface Location

| | | | | | | | | | |
|--------------------|--------------|------------------|---------------|----------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No. A | Section 2 | Township 17-S | Range 28-E | Lot Idn. | Feet from the 660 | North/South line NORTH | Feet from the 990 | East/West line EAST | County EDDY |
|--------------------|--------------|------------------|---------------|----------|----------------------|---------------------------|----------------------|------------------------|----------------|

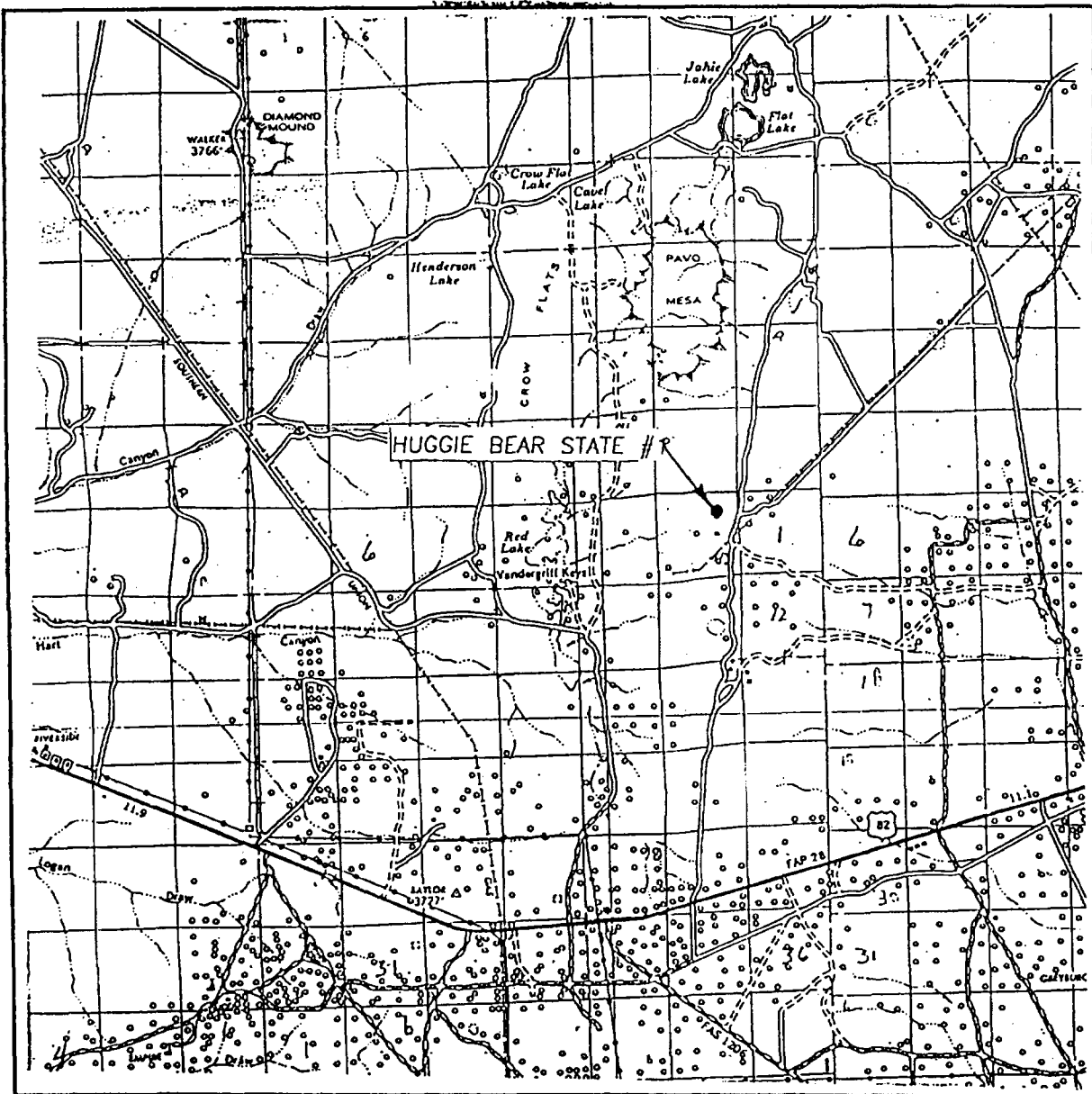
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------|-----------------|--------------------|-----------|----------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 320 | 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>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature MICHAEL S. DAUGHERTY Printed Name VICE PRESIDENT OPERATIONS Title 1/25/02 Date | |
| | | | | SURVEYOR CERTIFICATION <i>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.</i> JANUARY 19, 2002 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 | |

VICINITY MAP

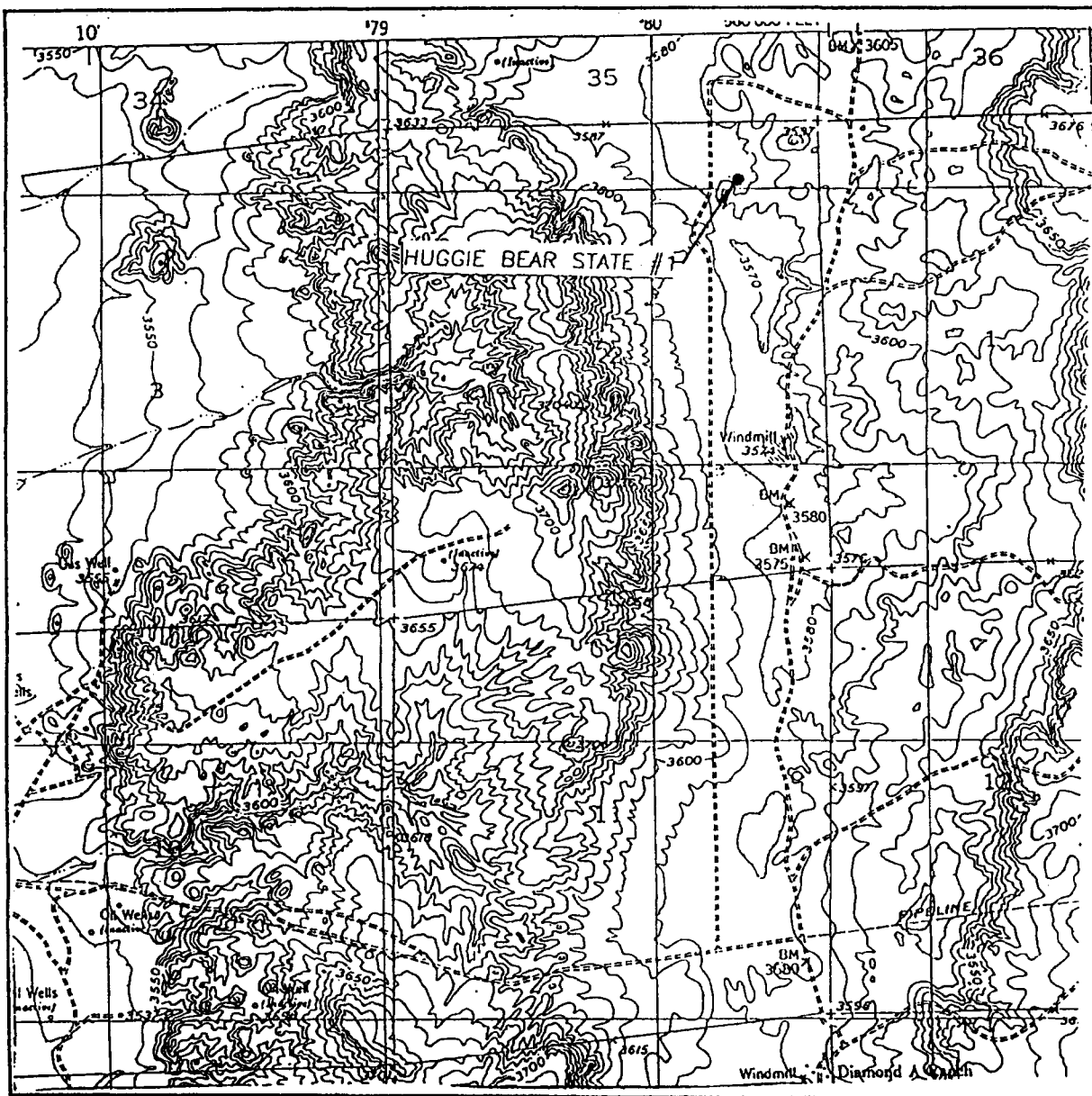


SCALE: 1" = 2 MILES

SEC. 2 TWP. 17-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 660' FNL & 990' FEL
 ELEVATION 3576'
 OPERATOR MURCHISON OIL & GAS
 LEASE HUGGIE BEAR

JOHN WEST SURVEYING
 HOBBS, NEW MEXICO
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

RED LAKE

SEC. 2 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FNL & 990' FEL

ELEVATION 3576'

OPERATOR MURCHISON OIL & GAS

LEASE HUGGIE BEAR

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

20-015-32176

Ogrid- 15263
Prop- 29244
Pool-

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