

12-85

OCD Artesia

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Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|--|---|
| 1a Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5 Lease Serial No SHL: NMNM98807 BHL VO5557 (STATE LEASE) |
| 1b Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6 If Indian, Allottee or Tribe Name N/A |
| 2 Name of Operator MURCHISON OIL & GAS, INC | | 7 If Unit or CA Agreement, Name and No. N/A 125965 per # |
| 3a Address 1100 MIRA VISTA BLVD PLANO, TX 75093-4698 | | 8 Lease Name and Well No CARBON VALLEY 25 FED COM #8H [37485] |
| 3b Phone No (include area code) 972-931-0700 | | 9 API Well No 30-015-39851 |
| 4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1780' FSL & 300' FEL, LOT 1 At proposed prod zone 1930' FSL & 330' FWL, LOT L | | 10 Field and Pool, or Exploratory DOG CANYON; WOLFCAMP [17970] |
| 14 Distance in miles and direction from nearest town or post office* APPROXIMATELY 11 MILES NE OF ARTESIA, NEW MEXICO | | 11 Sec, T, R, M or Blk and Survey or Area SEC. 25, T16S, R27E |
| 15 Distance from proposed* location to nearest property or lease line ft (Also to nearest drg unit line, if any) 300' FEL NOW-STANDARD | 16 No of acres in lease 200 | 17 Spacing Unit dedicated to this well 160 |
| 18 Distance from proposed location* to nearest well, drilling, completed applied for, on this lease ft 200' SOUTH 141' CARBON VALLEY 25 FED #1 [257] HSH AT TD | 19 Proposed Depth 10,768' MD; 6,333' TVD | 20 BLM/BIA Bond No on file NM 2163 |
| 21 Elevations (Show whether DF, KDB, RT, GL, etc) 3,509' GL | 22 Approximate date work will start* 01/12/2012 | 23 Estimated duration 30 - 45 DAYS |

24 Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form.

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|--|---|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SLUP must be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the BLM |

| | | |
|--------------|---|------------------|
| 25 Signature | Name (Printed/Typed) DARRICK STALLINGS | Date 10/21/11 |
|--------------|---|------------------|

Title
VICE PRESIDENT OPERATIONS

Approved by (Signature)
/s/ Don Peterson

Name (Printed/Typed)

JAN 19 2012

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

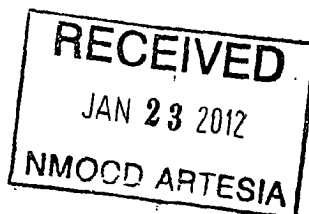
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Baswell Controlled Water Basin



*(Instructions on page 2)

Approval Subject to General Requirements
& Special Stipulations Attached

RDade 04/11/2012
Accepted for record
NMOCD