

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Murchison Oil and Gas

3a. Address  
P O BOX 627 Carlsbad New Mexico

3b. Phone No (include area code)  
575-628-3932

4. Location of Well (Footage, Sec., T,R,M., or Survey Description)  
SEC 35-T18S-R24E  
Unit O 990' FSL & 1980-FEL

5. Lease Serial No.  
NM33661

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No  
NM101384 Penasco Draw Fed Com # 1

8. Well Name and No  
Penasco Draw Federal Com # 1

9. API Well No.  
30-015-25959

10. Field and Pool or Exploratory Area

11. Country or Parish, State  
Eddy New Mexico

**12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

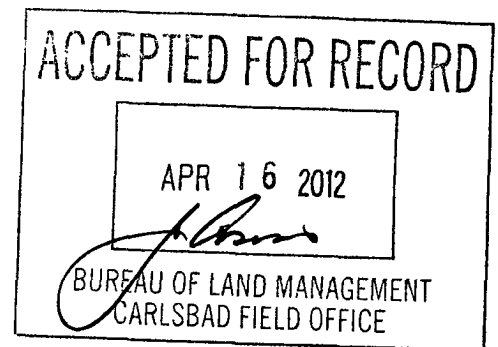
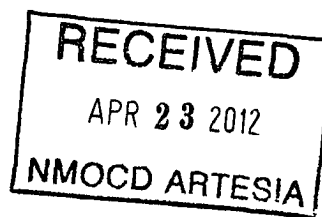
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

See attached P & A Report

Accepted for record  
NMOCD

Accepted as to plugging of the well bore.  
Liability under bond is retained until  
Surface restoration is completed.

**RECLAMATION  
DUE 9-1-12**



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Greg Boans

Title Production Superintendent

Signature

Date 03/27/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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

(Instructions on page 2)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

## NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

MURCHISON OIL AND GAS, INC.  
PENASCO FEDERAL #1  
SEC.35, T-18S, R-24E  
Unit O 990' FSL AND 1980' FEL  
EDDY COUNTY, NEW MEXICO

P&A

February 18, 2012

**CASING:**

Surface	13 3/8" - 48# K -55 @ 388'	Cmt Cir.
Intermediate	9 5/8" - 40# K-55 @ 1,216'	Cmt Cir.
Production Csg	5 1/2" - 17# N-80 @ 8,840'	Cmt Top @ 5,970'

**LOGS:**

ND& DLL Dated 8-19-88

**ELEVATION:**

KB - 3735' GL - 3717

**EQUIPMENT:**

Tubing - 2 7/8" PH-6 Tbg

**EXSITING PERFORATIONS:**

Morrow - 8,641' to 8,662'  
CIBP at 8590' capped with 15' Cmt  
Atoka - 8272' to 8,276'  
Strawn - 8,125' to 8,134' and 8184' to 8,188'  
CIBP@ 8,050' capped with 25' cement tagged at 8,025' Joe Balderez with BLM Witnessed  
Wolfcamp Canyon - 7,466' to 7,472'

**Procedure:**

2-18-2012 M.I.RU Plugging unit and notified BLM Duncan Whitlock and Terry of current Plugging operations.

2-19-2012. RU 3,000# B.O.P.E equipment and RU pump truck. Pumped 50 bbls 10# brine down tubing. Tubing went on vacuum. SDFD due to high winds.

2-21-2012. Blew well down to open pit. Pumped 25 bbls 10# brine down tubing and release packer. P.O.H with 2 stands tubing had to sdfd due to high winds.

Penasco Federal #1  
P & A procedure  
February 18, 2012  
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2-22-2012. P.O.H with PH-6 tubing and packer. Packer hung up at 1,144'. Worked packer through tight spot. P.U 4 ¾ bit and scraper. R.I.H with bit and Scraper and tagged up at 1,144'. Called BLM and notified them of current operations. P.O.H with tubing and bit and scraper. SDFD.

2-24-2012. R.I.H with 2 7/8 shoe and tubing worked through thight spot @ 1,144' R.I.H and tagged C.I.B.P @ 8,050' capped with 25' cement. Tagged @ 8,025' witnessed by Joe Balderez with BLM. P.O.H to 7,529' circulated hole with 10# salt gel. Mixed and pumped 30 sxs cement and P.O.H with 60 jts. Set cement plug from 7,529' – 7,210'. SDFD

2-27-2012. R.I.H with tubing and tag cement @ 7,210'. Circulated 50 bbls 10# gel . P.O.H with tubing and RUW/L R.I.H and perforate at 5,230'. P.O.H with W/L and R.I.H with tubing. Mix and spot 30 sxs cement plug at 5,280' to 4,977'. W.O.C R.I.H and tag cement plug at 5,020' Witnessed by Joe Balderez with BLM. SDFD

2-28-2012. P.O.H with tubing and R.I.H with W/L perforate @ 4,110'. P.O.H with W/L and R.I.H with tubing to 4,160'. Mixxed and pump 30 sxs cement plug from 4,160' to 3,857' P.O.H with 38 jts .SDFD.

2-29-2012. R.I.H with tubing and cement plug at 4,005'. P.O.H with tubing and R.I.H with W/L Perforate @ 1,900'. P.O.H with W/L and R.I.H with tubing to 1,950' mixxed 30 sxs cement and pumped plug from 1,950' – 1,647'. P.O.H WITH 26 JTS W.O.C. R.I.H and tag cement plug at 1,808' Witnessed by Joe Balderez. P.O.H with tubing and R.I.H with W/L and perf at 1,216'. P.O.H with W/L and R.I.H with tubing to 1,263' mixxed and pumped 30 sxs cement plug from 1,263' to 960'. P.O.H S.D.F.D.

3-1-2012. R.I.H with W/L and tag plug at 960'. Perforate well at 388' P.O.H with W/L and pu packer and tubing set packer at 123' and establish pump in rate. Mixxed and pumped 40 sxs cement plug and squeezed to dept of 253'. W.O.C 4 hours and R.I.H with W/L and tagged at 265'.P.O.H with W/L and tubing and packer. RU W/L and R.I.H to 60' and perforate. ND B.O.P.E and NU flange mixxed and pumped 20 sxs cement and circulated cement in 5 ½ casing and out 9 5/8 casing.

1. Dig out and cut off well head 4' below ground level and spot 60' surface plug. Weld on P&A Marker with the following information, four foot above ground level.

MURCHISON OIL AND GAS, INC.  
PENASCO FEDERAL #1  
SEC.35, T-18S, R-24E  
990' FSL AND 1980' FEL

EDDY COUNTY, NEW MEXICO

API # 30-015-25959

Lease# NM 33661

Date well is plugged

2. Fill in cellar, cut of dead men, clean and restore location as required by BLM, seed with seed mixture #4.

Penasco Federal #1

P & A Procedure

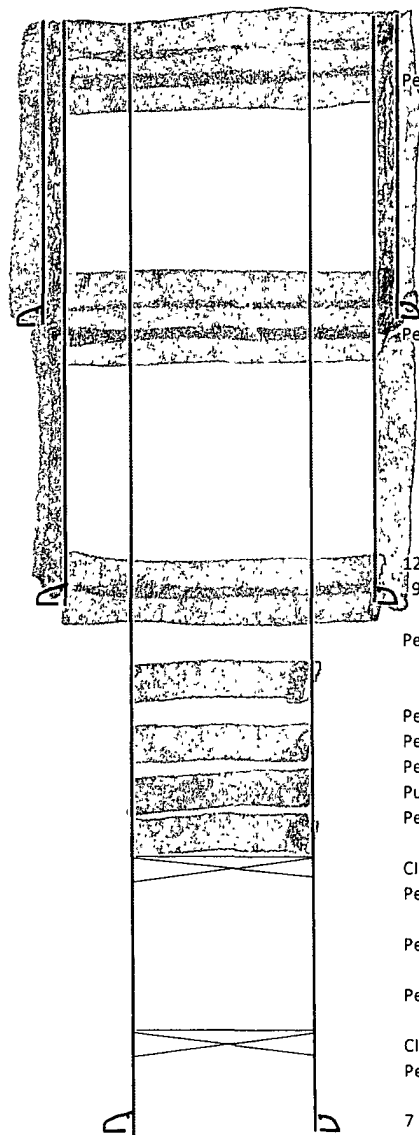
February 18, 2012

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FORMATION TOPS:

GLORIETA	1977
YESO	2116
TUBB	3361
ABO	4040
WOLFCAMP	5230
STRAWN	7884
ATOKA	8211
MORROW	8625
CHESTER LIME	8830

Murchison Oil and Gas, Inc.  
 Penasco Federal #1  
 Sec. 35, T-18S, R-24E  
 Eddy County, New Mexico  
 API # 30-015-25959



Perforate @ 60' circulated cement in 5 1/2 casing and out 8 5/8 casing

17 1/2" Hole

13 3/8" 48# K-55 @ 388'

Perforate @ 388' set packer @ 123' squeeze cement to 253' tagged cement @ 265'

12 1/4" hole

9 5/8" 40# K-55 @ 1,216'

Perforate @ 1,216' pumped 30 sxs cement from 1,263' - 960' tagged cement.

Perforate @ 1,900' pumped 30 sxs cement plug from 1,950' - 1,808' tagged

Perforate @ 4,110' pumped 30 sxs cement plug from 4,160' - 4,005' witnessed by Joe Balde

Perforate @ 5,230' spot 30 sxs cement from 5,280' - 5,020' tagged witnessed by Joe Baldere

Pumped 30 sxs cement plug from 7,529' - 7,210' circulated salt gel

Perforations 7,466' to 7,472' Canyon

CIBP at 8,050' Capped w/ 30' cmt

Perforations 8,125' to 8,134' Strawn

Perforations 8,184' to 8,188' Strawn

Perforations 8,272' to 8,276' Atoka

CIBP at 8,590' capped w/ 30' cmt

Perforations 8,641' to 8,662' Morrow

7 7/8" hole

5 1/2" 17# N-80 @ 8,840'

Cmt Top at 5,970'

#### TOPS

Glorieta	1,977'
Yeso	2,116'
Tubb	3,361'
Abo	4,040'
Wolfcamp	5,230'
Burson	6,378'
Cisco	6,892'
Canyon	7,422'
Strawn	7,884'
Atoka	8,211'
Morrow	8,625'
Chester	8,830'