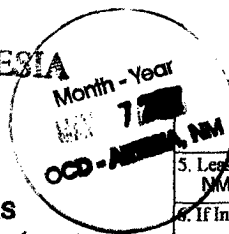




UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTE31A



FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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		5. Lease Serial No. NM 108937
2. Name of Operator Murchison Oil & Gas, Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 1100 Mira Vista Blvd. Plano, TX 75093-4898	3b. Phone No. (include area code) 972-931-0700	7. If Unit of CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SL: 220' FSL & 680' FEL, Sec 7, T18S, R23E BHL: 760' FNL & 760' FEL, Sec 7, T18S, R23E		8. Well Name and No. Graham "7" Federal #1
		9. API Well No. 30-015-35508
		10. Field and Pool or Exploratory Area Wildcat; Wolfcamp (Gas)
		11. Country or Parish, State Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Changed Directional</u>
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	<u>Survey w/new Point of</u>
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	<u>Penetration and Plat</u>

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 recompleat 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 recompleat 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.)

Murchison Oil & Gas, Inc. has attached a new directional survey from Pathfinder that will now meet spacing requirements at the Point of Penetration and has been reviewed by the OCD. Also please find attached a new plat showing the Project Area, Production Area, and New Point of Penetration of the Wolfcamp at approximately 740' FSL & 690' FEL.

Thank you.

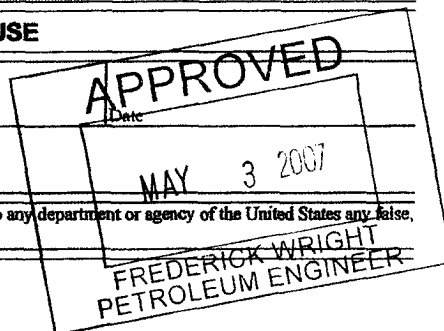
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Denise Menoud	Title Agent
Signature <i>Denise Menoud</i>	Date 04/16/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title
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)



DISTRICT I
1035 N. French Dr., Hobbs, NM 88240

DISTRICT II
1901 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 Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35508	Pool Code 97489	Pool Name WILDCAT; WOLF CAMP GAS
Property Code 36421	Property Name GRAHAM FEDERAL "7"	Well Number 1
OGRIID No. 15363	Operator Name MURCHISON OIL & GAS, INC.	Elevation 4011'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	18 S	23 E		220	SOUTH	660	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
A	7	18 S	23 E		760	NORTH	760	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 4-16-2007 <i>Denise Menould</i> Signature Date DENISE MENOULD, Agent Printed Name SURVEYOR CERTIFICATION 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. JANUARY 5 2007 Date Surveyed Signature & Seal of Gary L. Jones Professional Surveyor Certificate No. Gary L. Jones 7977 Basin Surveys
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Pathfinder Energy Planning Report

Company: Murchison Oil & Gas	Date: 4/10/2007	Time: 15:33:33	Page: 1
Field: Eddy County, NM NAD-83	Co-ordinate(NE) Reference: Site: Graham Federal "7" #1, Grid North		
Site: Graham Federal "7" #1	Vertical (TVD) Reference: SITE 4009.0		
Well: Graham Federal "7" #1	Section (VS) Reference: Well (0.00N,0.00E,358.67Azi)		
Wellpath: OH	Plan: Plan #3 4-10-07		

Field: Eddy County, NM NAD-83

Map System: US State Plane Coordinate System 1983	Map Zone: New Mexico, Eastern Zone
Geo Datum: GRS 1980	Coordinate System: Site Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: igrf2005

Site: Graham Federal "7" #1

Site Position:	Northing: 638911.42 ft	Latitude: 32 45 20.846 N
From: Map	Easting: 421207.32 ft	Longitude: 104 43 26.781 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 4009.00 ft		Grid Convergence: -0.21 deg

Well:	Graham Federal "7" #1				Slot Name:			
Well Position:	+N-S	0.00	ft	Northing:	638911.42	ft	Latitude:	32 45 20.846 N
	+E-W	0.00	ft	Easting :	421207.32	ft	Longitude:	104 43 26.781 W
Position Uncertainty:		0.00	ft					

Wellpath: OH		Drilled From:	Surface
Current Datum: SITE	Height 4009.00 ft	Tie-on Depth:	0.00 ft
Magnetic Data: 11/2/2006		Above System Datum:	Mean Sea Level
Field Strength: 49307 nT		D inclination:	8.69 deg
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle:	60.59 deg
ft	ft	+E/-W	Direction
		ft	deg
0.00	0.00	0.00	358.67

Plan:	Plan #3 4-10-07	Date Composed:	11/2/2006
		Version:	1
Principal:	No	Tied-to:	From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2366.67	4.00	350.00	2366.45	9.16	-1.62	1.50	1.50	0.00	350.00	
3600.00	4.00	350.00	3596.78	93.89	-16.56	0.00	0.00	0.00	0.00	
4383.38	60.00	352.00	4235.00	488.65	-73.08	7.15	7.15	0.26	2.09	
5027.35	90.00	359.57	4400.00	1101.65	-115.33	4.79	4.66	1.18	14.88	
5050.93	90.00	0.28	4400.00	1125.22	-115.37	3.00	0.00	3.00	90.00	
8225.74	90.00	0.28	4400.00	4300.00	-100.00	0.00	0.00	0.00	0.00	PBHL

Survey

[illegible]

Pathfinder Energy

Planning Report

Company: Murchison Oil & Gas
Field: Eddy County, NM NAD-83
Site: Graham Federal "7" #1
Well: Graham Federal "7" #1
Wellpath: OH

Date: 4/10/2007 **Time:** 15:33:33 **Page:** 2
Co-ordinate(NE) Reference: SITE 4009.0
Vertical (TVD) Reference: SITE 4009.0
Section (VS) Reference: Well (0.00N,0.00E,358.67Azi)
Plan: Plan #3 4-10-07

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1400.00	0.00	0.00	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	
1600.00	0.00	0.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2200.00	1.50	350.00	2199.99	1.29	-0.23	1.29	1.50	1.50	0.00	
2300.00	3.00	350.00	2299.91	5.16	-0.91	5.18	1.50	1.50	0.00	
2366.67	4.00	350.00	2366.45	9.16	-1.62	9.20	1.50	1.50	0.00	
2400.00	4.00	350.00	2399.70	11.45	-2.02	11.50	0.00	0.00	0.00	
2500.00	4.00	350.00	2499.46	18.32	-3.23	18.39	0.00	0.00	0.00	
2600.00	4.00	350.00	2599.22	25.19	-4.44	25.29	0.00	0.00	0.00	
2700.00	4.00	350.00	2698.97	32.06	-5.65	32.18	0.00	0.00	0.00	
2800.00	4.00	350.00	2798.73	38.93	-6.86	39.08	0.00	0.00	0.00	
2900.00	4.00	350.00	2898.48	45.80	-8.08	45.98	0.00	0.00	0.00	
3000.00	4.00	350.00	2998.24	52.67	-9.29	52.87	0.00	0.00	0.00	
3100.00	4.00	350.00	3098.00	59.54	-10.50	59.77	0.00	0.00	0.00	
3200.00	4.00	350.00	3197.75	66.41	-11.71	66.66	0.00	0.00	0.00	
3300.00	4.00	350.00	3297.51	73.28	-12.92	73.56	0.00	0.00	0.00	
3400.00	4.00	350.00	3397.27	80.15	-14.13	80.46	0.00	0.00	0.00	
3500.00	4.00	350.00	3497.02	87.02	-15.34	87.35	0.00	0.00	0.00	
3600.00	4.00	350.00	3596.78	93.89	-16.56	94.25	0.00	0.00	0.00	KOP @ 3600' MD
3700.00	11.15	351.34	3695.84	106.90	-18.62	107.30	7.15	7.15	1.34	
3800.00	18.30	351.64	3792.50	132.02	-22.36	132.50	7.15	7.15	0.30	
3900.00	25.44	351.78	3885.24	168.85	-27.72	169.45	7.15	7.15	0.13	
4000.00	32.59	351.86	3972.63	216.84	-34.62	217.58	7.15	7.15	0.08	
4100.00	39.74	351.91	4053.31	275.22	-42.94	276.15	7.15	7.15	0.05	
4200.00	46.89	351.95	4126.02	343.10	-52.57	344.23	7.15	7.15	0.04	
4300.00	54.04	351.98	4189.63	419.42	-63.34	420.78	7.15	7.15	0.03	
4383.38	60.00	352.00	4235.00	488.65	-73.08	490.22	7.15	7.15	0.03	Penetrate Wolfcamp @ 4285
4400.00	60.77	352.23	4243.21	502.96	-75.06	504.57	4.79	4.63	1.41	
4500.00	65.41	353.58	4288.46	591.43	-86.05	593.27	4.79	4.64	1.34	
4600.00	70.06	354.82	4326.34	683.47	-95.39	685.50	4.79	4.65	1.25	
4700.00	74.72	356.00	4356.59	778.45	-103.00	780.63	4.79	4.66	1.17	
4800.00	79.38	357.12	4378.99	875.70	-108.84	878.00	4.79	4.66	1.12	
4900.00	84.05	358.21	4393.39	974.55	-112.87	976.91	4.79	4.67	1.09	
5000.00	88.72	359.28	4399.69	1074.30	-115.06	1076.68	4.79	4.67	1.07	
5027.35	90.00	359.57	4400.00	1101.65	-115.33	1104.03	4.79	4.67	1.07	EOC @ 5027' MD / 4400' TV
5050.93	90.00	0.28	4400.00	1125.22	-115.37	1127.60	3.00	0.00	3.00	
5100.00	90.00	0.28	4400.00	1174.29	-115.13	1176.65	0.00	0.00	0.00	
5200.00	90.00	0.28	4400.00	1274.29	-114.64	1276.61	0.00	0.00	0.00	
5300.00	90.00	0.28	4400.00	1374.29	-114.16	1376.57	0.00	0.00	0.00	
5400.00	90.00	0.28	4400.00	1474.29	-113.68	1476.53	0.00	0.00	0.00	
5500.00	90.00	0.28	4400.00	1574.29	-113.19	1576.49	0.00	0.00	0.00	
5600.00	90.00	0.28	4400.00	1674.29	-112.71	1676.46	0.00	0.00	0.00	
5700.00	90.00	0.28	4400.00	1774.29	-112.22	1776.42	0.00	0.00	0.00	
5800.00	90.00	0.28	4400.00	1874.28	-111.74	1876.38	0.00	0.00	0.00	
5900.00	90.00	0.28	4400.00	1974.28	-111.26	1976.34	0.00	0.00	0.00	
6000.00	90.00	0.28	4400.00	2074.28	-110.77	2076.30	0.00	0.00	0.00	
6100.00	90.00	0.28	4400.00	2174.28	-110.29	2176.26	0.00	0.00	0.00	
6200.00	90.00	0.28	4400.00	2274.28	-109.80	2276.22	0.00	0.00	0.00	

Pathfinder Energy

Planning Report

Company: Murchison Oil & Gas
Field: Eddy County, NM NAD-83
Site: Graham Federal "7" #1
Well: Graham Federal "7" #1
Wellpath: OH

Date: 4/10/2007 **Time:** 15:33:33 **Page:** 3
Co-ordinate(NE) Reference: Site: Graham Federal "7" #1, Grid North
Vertical (TVD) Reference: SITE 4009.0
Section (VS) Reference: Well (0.00N,0.00E,358.67Azi)
Plan: Plan #3 4-10-07

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6300.00	90.00	0.28	4400.00	2374.28	-109.32	2376.18	0.00	0.00	0.00	
6400.00	90.00	0.28	4400.00	2474.28	-108.84	2476.14	0.00	0.00	0.00	
6500.00	90.00	0.28	4400.00	2574.28	-108.35	2576.10	0.00	0.00	0.00	
6600.00	90.00	0.28	4400.00	2674.28	-107.87	2676.06	0.00	0.00	0.00	
6700.00	90.00	0.28	4400.00	2774.27	-107.38	2776.02	0.00	0.00	0.00	
6800.00	90.00	0.28	4400.00	2874.27	-106.90	2875.98	0.00	0.00	0.00	
6900.00	90.00	0.28	4400.00	2974.27	-106.42	2975.94	0.00	0.00	0.00	
7000.00	90.00	0.28	4400.00	3074.27	-105.93	3075.90	0.00	0.00	0.00	
7100.00	90.00	0.28	4400.00	3174.27	-105.45	3175.86	0.00	0.00	0.00	
7200.00	90.00	0.28	4400.00	3274.27	-104.96	3275.82	0.00	0.00	0.00	
7300.00	90.00	0.28	4400.00	3374.27	-104.48	3375.78	0.00	0.00	0.00	
7400.00	90.00	0.28	4400.00	3474.27	-104.00	3475.74	0.00	0.00	0.00	
7500.00	90.00	0.28	4400.00	3574.27	-103.51	3575.71	0.00	0.00	0.00	
7600.00	90.00	0.28	4400.00	3674.26	-103.03	3675.67	0.00	0.00	0.00	
7700.00	90.00	0.28	4400.00	3774.26	-102.54	3775.63	0.00	0.00	0.00	
7800.00	90.00	0.28	4400.00	3874.26	-102.06	3875.59	0.00	0.00	0.00	
7900.00	90.00	0.28	4400.00	3974.26	-101.58	3975.55	0.00	0.00	0.00	
8000.00	90.00	0.28	4400.00	4074.26	-101.09	4075.51	0.00	0.00	0.00	
8100.00	90.00	0.28	4400.00	4174.26	-100.61	4175.47	0.00	0.00	0.00	
8200.00	90.00	0.28	4400.00	4274.26	-100.12	4275.43	0.00	0.00	0.00	
8225.74	90.00	0.28	4400.00	4300.00	-100.00	4301.16	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---><--- Longitude --->		
PBHL		4400.00	4300.00	-100.00	643211.42	421107.32	32	46	3.391 N 104 43 28.138 W

Annotation

MD ft	TVD ft	
3600.00	3596.78	KOP @ 3600' MD
5027.35	4400.00	EOC @ 5027' MD / 4400' TVD
4383.38	4235.00	Penetrate Wolfcamp @ 4235' TVD

Field: Eddy County, NM NAD-83
 Site: Graham Federal "7" #1
 Well: Graham Federal "7" #1
 Wellpath: OH
 Plan: Plan #3 4-10-07

Murchison Oil & Gas

PATHFINDER

SITE DETAILS	
Graham Federal "7" #1	
Site Centre Northing: 638911.42	
Eastings: 421207.32	
Ground Level: 4009.00	
Positional Uncertainty: 0.00	
Convergence: -0.21	

WELLPATH DETAILS			
OH			
Ref. Datum:	V. Section Angle	Origin +N/-S	Origin +E/-W
SITE	4009.00		
	358.67°	0.00	0.00
		0.00	0.00

TARGET DETAILS			
Name	TVD	+N/-S	+E/-W
PBHL	4400.00	4300.00	-100.00

ANNOTATIONS			
No.	TVD	MD	Annotation
1	3596.78	3600.00	KOP @ 3600' MD
2	4400.00	5027.35	EOC @ 5027' MD / 4400' TVD
3	4235.00	4383.38	Penetrate Wellcamp @ 4235' TVD

SECTION DETAILS						
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W
1	0.00	0.00	0.00	0.00	0.00	0.00
2	2100.00	0.00	0.00	2100.00	0.00	0.00
3	2366.67	4.00	350.00	2366.45	9.16	-1.62
4	3600.00	4.00	350.00	3596.78	93.89	-16.56
5	4383.38	60.00	352.00	4235.00	488.65	-73.08
6	5027.35	90.00	359.37	4400.00	1101.65	-115.33
7	5027.35	90.00	0.28	4400.00	1125.22	-115.37
8	8225.74	90.00	0.28	4400.00	4300.00	-100.00

