

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

CISF

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.

Lease Serial No.

USA NM-025527-A

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.

MARALO FED #3

9. API Well No.

30 015 30786

10. Field and Pool, or Exploratory Area
LOGAN DRAW MORROW

11. County or Parish, State

EDDY COUNTY, NM.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

Type of Well
 Oil Well Gas Well Other

Name of Operator
MURCHISON OIL & GAS, INC.

a. Address 1445 ROSS AVE., STE. 5300, LB 1523b. Phone No. (include area code)
DALLAS, TX. 75202-2883 (214) 953-1414

c. Location of Well (Footage, Sec., T., R., M., or Survey Description)

790' FNL & 660' FWL SEC 22, T17S R27E

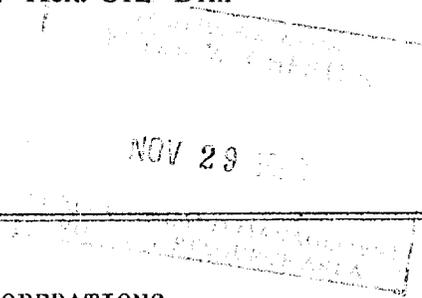
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 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 checked="" type="checkbox"/> Other <u>Spud well</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>and set surface</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>casing</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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Spud well @ 2100 Hrs. 11/9/99. Drill 17-1/2" hole to 450'. Lost circulation @ 84' and drilled dry to 450'. Ran 11 joints 13-3/8" 54.5 #/FT K-55 BTC casing to 450'. Cement with 100 SXS Thixset followed with 495 SXS Premium Plus + 2% CACL. Bumped plug and float held. Did not circulate cement to surface, ran temp survey, found TOC @ 84'. Ran 1" pipe to top of cement and pump 50 SXS of Class "C". Circulate 5 SXS to surface. WOC 18 Hrs. Test BOP's and casing to 500 PSI for 15 min. Held OK. Drill out shoe and drill ahead with 12-1/4" bit.

NOV 29 1999



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

MICHAEL S. DAUGHERTY

Signature

Michael S. Daugherty

Title

VICE PRESIDENT OPERATIONS

Date

11/16/99

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