

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

## SUNDHY 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 reverse side

|  |   |  |
|--|---|--|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>USA NM-025527-A                       |
| 2. Name of Operator<br>MURCHILSON OIL & GAS, INC.  |   | 6. If Indian, Allottee or Tribe Name                         |
| 3a. Address 1445 ROSS AVE, STE. 5300 LB 152<br>DALLAS, TX. 75202-2883  | 3b. Phone No. (include area code)<br>(214) 953-1414 | 7. If Unit or CA/Agreement, Name and/or No.                  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>1830' FSL & 660' FEL NESE<br>SEC 22 T17S R27E          |   | 8. Well Name and No.<br>MARALO FED #4                        |
|  |   | 9. API Well No.<br>30-015-30795                              |
|  |   | 10. Field and Pool, or Exploratory Area<br>LOGAN DRAW MORROW |
|  |   | 11. County or Parish, State<br>EDDY COUNTY, NEW MEXICO       |

## 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 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 checked="" type="checkbox"/> Other Spud well and set surface casing |
|   | <input type="checkbox"/> Change Plans         | <input 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 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 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 @ 1300 Hrs 12/10/99. Drilled 17-1/2" hole to 100' and lost circulation. Notified BLM. Drill dry to 300'. Ran 8 jts. of 13-3/8" 61 #/FT J-55 BUTT casing to 300'. Cemented w/ 200 SXS Premium Plus followed with 340 SXS Premium Plus + 2% CaCl + .25 #/SX Flocele. Bump plug to 150 PSI and float held. Did not circulate cement to surface. WOC 6 1/4 Hrs. Ran temperature survey and TOC @ 90'. Ran 60' of 1" tubing and pumped 75 SXS Class "C" cement neat, circulated 15 SXS to surface. BLM witness on location for cementing. WOC 12 Hrs. Test BOP to 500 PSI and held for 30 minutes. Trip in hole and drill out w/ 12-1/4" bit.

DAVID P. GLASS

|   |  |                           |
|---|--|---------------------------|
| 14. I hereby certify that the foregoing is true and correct |  | Title                     |
| Name (Printed/Typed)<br>MICHAEL S. DAUGHERTY                |  | VICE PRESIDENT OPERATIONS |
| Signature<br><i>Michael S. Daugherty</i>                    |  | Date<br>12/15/99          |

## 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 |      |

