

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

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 reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator MURCHISON OIL & GAS, INC.		7. If Unit or CA/Agreement, Name and/or No.	
3a. Address 1445 ROSS AVE., STE. 5300 LB 152 DALLAS, TX. 75202-2883		8. Well Name and No. CARBON VALLEY "25" FEDERAL #1	
3b. Phone No. (214) 953-1414		9. API Well No. 3001530953	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 660' FEL, SEC. 25, T16S R27E		10. Field and Pool, or Exploratory Area CROW FLATS MORROW	
		11. County or Parish, State EDDY CO., NM.	

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 Off-Lease
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Gas Measurement
	<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 recompleate 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 recompleation 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.)

Well was completed as a marginal gas producer on 8/10/2000. The gas purchaser GPM/Duke has a gas meter installation in Section 30, T16 R28 about 1/2 mile from the well. Because the well could only produce about 120 MCFD, they were unwilling to install a meter on the wellsite. We procured a right-of-way to lay a sales line to GPM/Duke's location in Section 30. The gas is metered separately at that location.

APPROVED FOR MONTH PERIOD
ENDING 10-7-00

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

MICHAEL S. DAUGHERTY

Title

VICE PRESIDENT OPERATIONS

Signature

Date

8/25/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) GARY GOURLEY

PETROLEUM ENGINEER

Date

SEP 07 2000

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