

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. <u>30-015-22447</u>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <u>Murchison Oil & Gas INC.</u>		6. State Oil & Gas Lease No. <u>64850</u>
3. Address of Operator <u>1100 Mira Vista Blvd</u> <u>Plano, TX 75093-4698</u>		7. Lease Name or Unit Agreement Name: <u>Lincoln State Co.</u> <u>Indes. Penasco; Permo-Penn.</u>
4. Well Location <u>Sec 24, T-18S, R-24E</u> Unit Letter <u>H</u> : <u>640</u> feet from the <u>East</u> line and <u>2030</u> feet from the <u>North</u> line Section <u>24</u> Township <u>18S</u> Range <u>24E</u> NMPM County <u>Eddy</u>		8. Well No. <u>#1</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3660 GR</u>		9. Pool name or Wildcat <u>Penasco Draw Morrow</u>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions : Attach wellbore diagram of proposed completion or recompletion.

Abandoned Morrow perfs 8513' to 8,497' and 8430' to 8470'
w/ CIBA set @ 8300' + capped w/ 35' cement
Perforate Wolfcamp 6920' to 6924, 6900 to 6908, 6885' to 6875'
6627' to 6644', 6614' to 6622', 6601' to 6610', 6584' to 6590'
6556' to 6568', 6540' to 6550', 6526' to 6536', 6514' to 6518', 6464'
to 6470', 6350' to 6354', 6322' to 6326', 6262 to 6266'
TREAT Wolfcamp w/ 4000 gals acid, swirls for clean up + place
on production. Four point as required. See attached procedure

NSL Required to Produce for Gas Well

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tommy Folsom TITLE Production Manager DATE 3/1/01
Type or print name Tommy Folsom Telephone No. 505-420-4372
(This space for State use) ASD
APPROVED BY Jim W. Bunn TITLE SUPERVISOR, DISTRICT II DATE MAR - 1 2001
Conditions of approval, if any:

MURCHISON OIL AND GAS, INC.
LINCOLN STATE COM. #1
Sec.24, T-18S, R-24E
2030' FNL and 660' FEL
Eddy County, New Mexico

WORKOVER PROCEDURE

JULY 7,2000

CASING:

Surface	13 3/8" - 48# H-40 @ 370'	Cmt Cir.
Intermediate	8 5/8" - 24# K-55 @ 1,832'	Cmt Cir.
Production Csg	4 1/2" - 11.6# & 10.5# k-55 N-80 @ 8,638'	Cmt Top @ 6,050'
		By CBL.

TUBING DETAIL:

2 3/8" 4.7# J-55 TBG, W/ 4 1/2" BAKER LOK SET PACKER AT 8,302'

EQUIPMENT:

Production unit, 300 Bbl oil tank and 210 wtr tank are on location along with production tree..

DISCUSSION:

The Morrow formation was tested from perforations (8,513' to 8,497' and 8,430' to 8,470') and collectively have produced over 1.3 BCF gas. The current production is fallen to less than 10 MCFD and non economical.

The Wolfcamp - Bursum carbonate "Bank in this well is from 6,308' to 6,650'. This bank is part of the trend which extends many miles around the western edge of the basin and produces gas. Production is generally of low volume but long life in nature. The Wolfcamp - Bursum "Bank" is the main producer in the Yates Triangle Ranch wells in T19S-R23E.

PROCEDURE:

1. Clean location and test dead men, move in pulling unit.
2. Set matting boards and rig up pulling, set pipe racks.
3. Bleed down tbg, and load tbg w/ 31 Bbls 2% KCL. ND tree and NU 3K BOP.
4. RU wireline company and set CIBP at 8,300' and dump bail 35' of cmt on plug.
5. GIH w/ 3 1/8" perforating guns and perforate 6,920' to 6,924' - 4' - 9 holes, 6,900' to 6,908' - 8' - 17 holes, 6885' to 6875' - 10' - 21 holes. (47 total holes)

Murchison Oil and Gas, Inc.
Lincoln State Com #1
WORKOVER Procedure
Page 2 of 2

6. TIH w/ packer and tbg and set packer at 6800' \pm . Swab well for production test.
7. RU treating company and acid treat w/ 2500 gals 20% gelled hcl at 4 to 5 BPM with max pressure at 5000 psi, dropping 50 1.3 rcn ball sealers evenly spaced in during treatment.
8. Swab for clean up and production test.
9. POOH w/ tbg and packer and set RBP at 6850', dump 30' of sand on bridge plug.
10. RU wireline and perforate at 2 JSPF as follows:
 - 6627' to 6644' - 17' - 34 holes
 - 6614' to 6622' - 8' - 17 holes
 - 6607' to 6610' - 3' - 7 holes
 - 6586' to 6590' - 4' - 9 holes
 - 6556' to 6568' - 12' - 25 holes
 - 6540' to 6550' - 10' - 21 holes
 - 6526' to 6536' - 10' - 21 holes
 - 6514' to 6518' - 4' - 9 holes
 - 6464' to 6470' - 6' - 13 holes
 - 6350' to 6354' - 4' - 9 holes
 - 6322' to 6326' - 4' - 9 holes
 - 6262' to 6266' - 4' - 9 holes
11. TIH w/ packer and tbg and set packer at 6175' \pm and swab test for flow and clean up.
12. RU treating company and acid treat w/ 3500 gals 20% gelled acid at 4 to 5 BPM and 5000 psi max treating pressure, dropping 200 - 1.3 RCN ball sealers evenly spaced during treatment.
13. Swab test well for production test.
14. POOH w/ tbg and packer, TIH w/ retrieving head and clean off RBP and release same. POOH w/ RBP and tbg.
15. TIH w/ packer and 2 3/8" and set packer at 6,175' \pm . NDBOP and NU tree.
16. Swab well for clean up and production.

Tommy Folsom
Production Manager