

Submit 3 Copies To Appropriate District
Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM
87505State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

June 19, 2008

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. 30-025-39130
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MURCHISON OIL & GAS, INC.		6. State Oil & Gas Lease No. V07612
3. Address of Operator 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698		7. Lease Name or Unit Agreement Name HIGHTOWER STATE UNIT
4. Well Location Unit Letter <u>I</u> : <u>1750</u> feet from the <u>SOUTH</u> line and <u>330</u> feet from the <u>EAST</u> line Section <u>27</u> Township <u>12S</u> Range <u>33E</u> NMPM County <u>LEA</u>		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 015363
		10. Pool name or Wildcat HIGHTOWER; PERMO PENN

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐OTHER: Request to change grade of 5-1/2" csg ☐

13. 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.

Murchison Oil & Gas, Inc. respectfully requests approval to substitute 5-1/2" 17.0 ppf I-100 LT&C for the 5-1/2" 17.0 ppf HC P-110 LT&C component (~2, 800' +/-) of our proposed production casing. This request is driven by availability, while still meeting the safety factor requirements.

The new design would be:

Casing Size	Hole Size	From, Feet	To, Feet	Length, Feet	Weight	Grade	Type Conn	Condition
5.500"	8.750"	0	7000	7000	17.0#	L-80	LT&C	New
5.500"	8.750"	7000	9800	2800	17.0#	I-100	LT&C	New

Casing Size	Burst Rating, psi	Safety Factor	Collapse Rating, psi	Safety Factor	Tension Rating, 1000 lbs	Safety Factor
5.500"	7740	1.7	6290	1.3	338	2.4
5.500"	9670	2.1	7480	1.2	392	9.7

Anticipated running of this 5-1/2" production casing should occur somewhere around November 12-14, 2008 assuming successfully drilling to total planned depth and that productive horizons, yet to be encountered, warrant a completion attempt.

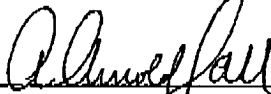
Spud Date:

10/4/2008

Rig Release Date:

Murchison Oil & Gas, Inc.
Hightower State Unit #3 - API - 30-025-39130
Lea Co., NM.

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

SIGNATURE  TITLE VP OPERATIONS DATE 11/4/2008

Type or print name A. ARNOLD NALL E-mail address: arnall@jdmii.com PHONE: 972-931-0700
For State Use Only

APPROVED BY:  TITLE PETROLEUM ENGINEER DATE NOV 04 2008
Conditions of Approval (if any):