

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 145593

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address <b>MURCHISON OIL &amp; GAS INC</b> 1100 Mira Vista Blvd. Plano, TX 75093		2. OGRID Number 15363
		3. API Number 30-015-40045
4. Property Code 35007	5. Property Name QUAIL STATE COM	6. Well No. 003H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	8	17S	28E	P	840	S	170	E	EDDY

**8. Pool Information**

EMPIRE; GLORIETA-YESO	96210
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3554
14. Multiple N	15. Proposed Depth 3485	16. Formation Paddock	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	352	210	0
Prod	8.75	7	26	3363	637	0
Liner1	6.125	4.5	11.6	7953	0	

**Casing/Cement Program: Additional Comments**

100% excess cement will be used on all sections; circulate cement to surface.
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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	Shaffer
DoubleRam	3000	3000	Shaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Michael Daugherty	Approved By: Randy Dade
Title: COO	Title: District Supervisor
Email Address: ccottrell@jdmii.com	Approved Date: 3/15/2012   Expiration Date: 3/15/2014
Date: 3/14/2012   Phone: 972-931-0700	Conditions of Approval Attached

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 145593

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-40045	2. Pool Code 96210	3. Pool Name EMPIRE; GLORIETA-YESO
4. Property Code 35007	5. Property Name QUAIL STATE COM	6. Well No. 003H
7. OGRID No. 15363	8. Operator Name MURCHISON OIL & GAS INC	9. Elevation 3554

**10. Surface Location**

UL - Lot P	Section 8	Township 17S	Range 28E	Lot Idn	Feet From 840	N/S Line S	Feet From 170	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 8	Township 17S	Range 28E	Lot Idn M	Feet From 380	N/S Line S	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr style="background-color: #cccccc;"><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table> <div style="position: relative; height: 40px; background-color: #cccccc;"> <div style="position: absolute; top: 0; left: 0; width: 10px; height: 10px; background-color: #ff00ff;"></div> <div style="position: absolute; top: 0; right: 0; width: 10px; height: 10px; background-color: #00ff00;"></div> </div>																	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Michael Daugherty Title: COO Date: 3/14/2012</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 3/6/2012 Certificate Number: 12797</p>

## Permit Comments

**Operator:** MURCHISON OIL & GAS INC , 15363

**Well:** QUAIL STATE COM #003H

**API:** 30-015-40045

Created By	Comment	Comment Date
CSHAPARD	Land s/S	3/14/2012

# Permit Conditions of Approval

**Operator:** MURCHISON OIL & GAS INC , 15363

**Well:** QUAIL STATE COM #003H

**API:** 30-015-40045

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string