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 PERMI	I TO DRILL, RE-ENTER	, DEEPEN, PLUGBACK	, OR ADD A ZONI

	r Name and Address ON OIL & GAS INC	2. OGRID Number 15363	
	fira Vista Blvd. o, TX 75093	3. API Number 30-015-40045	
4. Property Code	5. Property Name	6. Well No.	
35007	QUAIL STATE COM	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

	72
EMPIRE: GLORIETA-YESO	96210

Additional Well Information

			radicional Well Inform	Intion		
9. Work Type New Well	****		11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 3554	
14. Multiple	4. Multiple 15. Proposed Depth		16. Formation	17. Contractor	18. Spud Date	
N	3	485	Paddock	200		
Depth to Ground water			Distance from nearest fresh water	r well	Distance to nearest surface water	

19. Proposed Casing and Cement Program

		V/			8	X.
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.

Proposed Blowout Prevention Program

Troposed Diowout Trevention Trogram								
Туре	Working Pressure	Test Pressure	Manufacturer					
Annular	3000	3000	Shaffer					
DoubleRam	3000	3000	Shaffer					

of my knowledge and belief.	nation given above is true and complete to the best illing pit will be constructed according to	OIL CONSERVATION DIVISION				
	eneral permit , or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electroni	cally filed by Michael Daugherty	Title: District Supervisor				
Title: COO	3.00	Approved Date: 3/15/2012	Expiration Date: 3/15/2014			
Email Address: ccottrell	@jdmii.com					
Date: 3/14/2012	Phone: 972-931-0700	Conditions of Approval Atta	ched			

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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

96210	EMPIRE; GLORIETA-YESO
8. Operator 1	Name 9. Elevation
	5. Property 1 QUAIL STAT 8. Operator 1 MURCHISON OIL

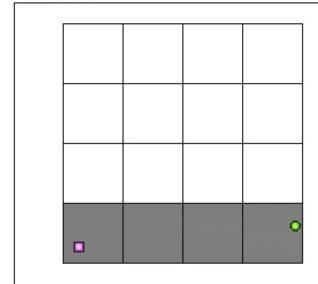
10. Surface Location

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

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
M	8	17S	28E	M	380	S	330	W	EDDY	
	cated Acres	13. J	oint 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



OPERATOR CERTIFICATION

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.

E-Signed By: Michael Daugherty

Title: COO Date: 3/14/2012

SURVEYOR CERTIFICATION

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.

Surveyed By: Filimon Jaramillo Date of Survey: 3/6/2012 Certificate Number: 12797

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