

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-103
August 1, 2011

Permit 153731

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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NUMBER 30-015-40045 |
| 1. Type of Well: O | | 5. Indicate Type of Lease S |
| 2. Name of Operator MURCHISON OIL & GAS INC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 1100 Mira Vista Blvd., Plano, TX 75093 | | 7. Lease Name or Unit Agreement Name QUAIL STATE COM |
| 4. Well Location Unit Letter <u>P</u> : <u>840</u> feet from the <u>S</u> line and <u>170</u> feet from the <u>E</u> line Section <u>8</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County | | 8. Well Number 003H |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3554 GR. | | 9. OGRID Number 15363 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | 10. Pool name or Wildcat |

| | | |
|---|--|---|
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other: _____ | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Drilling/Cement <input checked="" type="checkbox"/> |
|---|--|---|

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.
 8/14/12 - 8/15/12: Drilled 12-1/4" hole to 377' & ran 9-5/8" casing(details attached).
 See Attached
 8/14/2012 Spudded well.

Casing and Cement Program

| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| 08/15/12 | Surf | FreshWater | 12.25 | 9.625 | 36 | J-55 | 0 | 377 | 150 | 14.9 | C | | 2500 | 0 | N |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE COO DATE 8/28/2012
 Type or print name Michael Daugherty E-mail address ccottrell@jdmii.com Telephone No. 972-931-0700

For State Use Only:

APPROVED BY: Randy Dade TITLE District Supervisor DATE 8/28/2012 10:01:10 AM

Quail State 3H

9 5/8" Casing Sundry

8/14/12 – 8/15/12 - Drilled 12-1/4 in. hole to 377 ft. & ran 9-5/8 in. casing as follows:

1- Casing Shoe – 1.66 ft.

1- Jt. 9-5/8 in. 36# J-55 LTC – 42.06 ft.

1- Float Collar – 1.41 ft.

8- Jts. 9-5/8 in. 36# J-55 LTC – 336.2 ft.

Total – 381.33 ft.

Set casing @ 377 ft.

Cement:

Lead: w/4sx 1.0bbls, 14.8ppg "C" w/ 2% CACL₂, 1/4# Cello, .25% R-38.

Tail: w/146sx 36.0bbls, 14.9ppg "C" w/ 2% CACL₂, 1/4# Cello, .25% R-38

Saw pre-flush, Drop bottom plug. Displaced Casing with 27.0bbls of fresh water.
5.0bbls (21sx) cement returns on surface.

8/16/12 - Nipple up BOP and test, Leaks torque bolts again and test to 250 psi low and 5000 psi high. Test annular to 250 psi low and 2500 psi high held. Trip in cased hole with 8-3/4in. bit, drilling assembly and WOC total of 25 hrs. Drill cement & float collar & shoe. Resume drilling formation at 377 ft.