

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

Form C-101
Permit 28582

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

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

1. Operator Name and Address MURCHISON OIL & GAS INC 1100 MIRA VISTA BLVD PLANO, TX 750934698		2. OGRID Number 15363
4. Property Code 35627		3. API Number 30-025-37901
5. Property Name HIGHTOWER STATE UNIT		6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	27	12S	33E	A	660	N	1300	E	LEA

8. Pool Information

HIGHTOWER:DEVONIAN	31160
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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 4245
14. Multiple N	15. Proposed Depth 10600	16. Formation Devonian	17. Contractor	18. Spud Date 6/1/2006
Depth to Ground water 90		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 15000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	500	0
IntI	12.25	9.625	40	3800	1500	0
Prod	7.875	5.5	17	10600	1700	3900

Casing/Cement Program: Additional Comments

Surface Casing cement w/ Class "C" or Type I + Additives Intermediate Casing cement w/ Class "C" or Type I + Additives Production Casing cement w/ Class "C" or Type I + Additives
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	
HydriI	3000	3000	

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 checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> Printed Name: Electronically filed by Michael Daugherty Title: Vice President Operations Email Address: mdaugherty@jdmii.com Date: 4/27/2006	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</th> </tr> <tr> <td colspan="2">Approved By: Paul Kautz</td> </tr> <tr> <td>Approved Date: 5/31/2006</td> <td>Expiration Date: 5/31/2007</td> </tr> <tr> <td colspan="2">Conditions of Approval Attached</td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: Paul Kautz		Approved Date: 5/31/2006	Expiration Date: 5/31/2007	Conditions of Approval Attached	
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