

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTocd- Artesia
FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM105211 |
| 2. Name of Operator MURCHISON OIL & GAS INC | | 6. If Indian, Allottee or Tribe Name |
| Contact: CINDY COTTRELL E-Mail: ccottrell@dmii.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 1100 MIRA VISTA BOULEVARD PLANO, TX 75093-4698 | 3b. Phone No (include area code) Ph: 972-931-0700 Ext: 109 | 8. Well Name and No PEQUENO MIKE BLU FEDERAL 4H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T16S R29E SWNW Lot 12 3530FNL 200FWL | | 9. API Well No. 30-015-38664-00-X1 |
| | | 10. Field and Pool, or Exploratory COUNTY LINE TANK |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Drilling Operations |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

11/23/11 - Spud well at 7:00 PM with 17-1/2 in. hole

11/24/11 - Drilled to 430 ft. & ran 13-3/8 in. casing as follows:

1 Float Shoe - 1 ft.
1 Jt. 13-3/8 in. 54.5# J-55 STC - 44 ft.
1 Float Collar - 1 ft.
9 Jts. 13-3/8 in. 54.5# J-55 STC - 389 ft.
Total - 435 ft.

Set casing @ 430 ft. Cement: 470 SXS HalCem-C + 2% CaCl; 14.8 ppg, 1.35 yield, 115 bbls slurry. Cmt did not circ. Pumped 22 bbls (89 sx) and got returns; circ 4 bbls cmt to pit. Plug down. Cut off

Accepted for record

NMOCD

10/1/2012

RECEIVED

JAN 05 2012

NMOCD ARTESIA

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| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #126113 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/20/2011 (12JLH0192SE) | |
| Name (Printed/Typed) DARRICK STALLINGS | Title VICE PRESIDENT OPERATIONS |
| Signature (Electronic Submission) | Date 12/19/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By ACCEPTED | JAMES A AMOS Title SUPERVISOR EPS | Date 12/30/2011 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office Carlsbad |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****



Additional data for EC transaction #126113 that would not fit on the form

32. Additional remarks, continued

13-3/8 in. csg, weld on wellhead.

11/25/11 - Nipple up BOP and test to 250 psi low and 3000 psi high. Test annular to 250 psi low and 1500 psi high. Held OK. Pick up BHA & trip in hole w/ 12-1/4 in. bit. Test csg to 1000 psi. WOC total of 19.75 hrs. Resume drilling formation at 430 ft.

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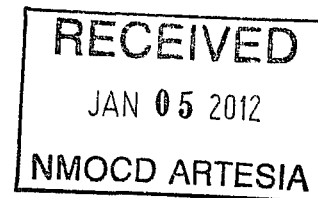
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12/9/11 - Ran 2-7/8 in. tubing & 7 in. casing as follows:

1 2-7/8 in. bullnose shoe - 1 ft.
5 jts 2-7/8 in. 6.5 lb L-80 steel tbg - 162 ft.
23 jts 2-7/8 in. 1.27 lb SP8-2K fiberglass tbg - 673 ft.
1 aluminum XO 2-7/8 in. EUE x 7 in. LTC - 1 ft.
1 7 in. collar HCP-110 - 1 ft.
1 7 in. float collar - 1 ft.
1 jt 7 in. 26 lb HCP-110 - 41 ft.
1 7 in. float collar - 1 ft.
148 jts. 7 in. 26 lb HCP-110 - 6419 ft.
Total 7300 ft.

Accepted for record
NMOCD
JCS 11/20/2012

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| 14. I hereby certify that the foregoing is true and correct | |
| Electronic Submission #126123 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/20/2011 (12JLH0196SE) | |
| Name (Printed/Typed) DARRICK STALLINGS | Title VICE PRESIDENT OPERATIONS |
| Signature (Electronic Submission) | Date 12/19/2011 |

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| Office Carlsbad | | |

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Additional data for EC transaction #126123 that would not fit on the form

32. Additional remarks, continued

Set 7 in. casing at 6457 ft. with bottom of 2-7/8 in. tubing stinger at 7295 ft. 1ST STAGE CEMENT: lead w/400 sxs Econocem w/3% salt, 5 lb KOL-Seal mixed at 12.9 PPG, 1.85 yield, 132 bbls, displace w/40 bbls fresh water; tail w/815 sxs Halcem-H + 0.8% CFR-3 mixed at 17 PPG, 1.0 yield, 145 bbls, displace w/116 bbls 9.1# mud. Plug down at 13:45 on 12/9/11, bump plug w/1250 psi. Circ 212 sxs to pit. WOC, circ thru DV-tool. 2ND STAGE CEMENT: lead w/150 sxs Econocem w/5% salt, 5 lb KOL-Seal mixed at 12.9 PPG, 1.88 yield, 51 bbls; tail w/150 sxs Halcem-H + 0.8% CFR-3 mixed at 14.8 PPG, 1.33 yield, 36 bbls, displace w/139 bbls fresh water. Bump plug w/2000 psi. Float equipment held. Nipple down BOP.

12/10/11 - Set slips & cut off 7 in. csg. Install wellhead "B" section. Nipple up BOP & test to 250 psi low & 5000 psi high. Test annular to 250 psi low & 2500 psi high. Held OK. Pick up 3 1/2 in. drill pipe. Test csg to 1500 psi.

12/11/11 - WOC total of 33 hrs. Drill cement, float collar & XO from 6145ft. to 6537 ft. Pump sweep & circ out. Ran gyro. Trip out of hole, pick up 6-1/8 in. bit, curve BHA & resume drilling formation at 6537 ft.

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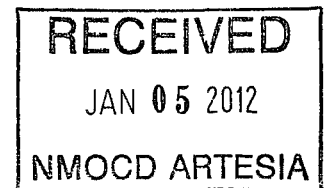
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11/26/11 - 11/28/11 - Drilled 12-1/4 in. hole to 2,622 ft. & ran 9-5/8 in. casing as follows:

1 Float Shoe - 1 ft.
1 Jt. 9-5/8 in. 36# J-55 STC - 43 ft.
1 Float Collar - 2 ft.
61 Jts. 9-5/8 in. 36# J-55 STC - 2,581 ft.
Total - 2,627 ft.

Set casing @ 2,622 ft.

11/28/11 - Pumped 20 bbls red dye water; 20 bbls gel spacer; lead w/850 SXS Econocem-HLC w/3% salt
+ 5 lb/sk gilsonite; 12.9 ppg, 1.82 yield, 280 bbls slurry. Tail w/220 SXS HalCem-C + 2% CaCl; 14.8

Accepted for record
NMOCD
10/5/20/2012

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| 14. I hereby certify that the foregoing is true and correct | |
| Electronic Submission #126121 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 12/20/2011 (12JLH0195SE) | |
| Name (Printed/Typed) DARRICK STALLINGS | Title VICE PRESIDENT OPERATIONS |
| Signature (Electronic Submission) | Date 12/19/2011 |

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32. Additional remarks, continued

ppg, 1.35 yield, 53 bbls slurry. Displaced with 201 bbls fresh water. Circ 70 bbls cmt to pit. Bumped plug at 950 psi & pressured up to 1365 psi; float held. Plug down. Cut off 9-5/8 in. csg, weld on wellhead. Nipple up BOP; test choke, blind & pipe rams to 250 psi low and 5000 psi high. Test annular to 250 psi low and 2500 psi high. Held OK.

11/29/11 - Trip in hole w/ 8-3/4 in. bit. Test csg to 1500 psi. WOC total of 23.75 hrs. Drill cement, float collar and shoe. Resume drilling formation at 2,622 ft.