

Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

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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 RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-015-33690 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator MURCHISON OIL & GAS, INC. | | 6. State Oil & Gas Lease No. L-3017 |
| 3. Address of Operator 1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698 | | 7. Lease Name or Unit Agreement Name RIO STATE |
| 4. Well Location Unit Letter <u>D</u> : <u>1250</u> feet from the <u>NORTH</u> line and <u>1250</u> feet from the <u>WEST</u> line Section <u>36</u> Township <u>18S</u> Range <u>24E</u> NMPM County <u>EDDY</u> | | 8. Well Number <u>3</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL 3664' RKB 3681' | | 9. OGRID Number <u>015363</u> |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | | 10. Pool name or Wildcat PENASCO DRAW MORROW GAS |
| 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 _____ | | |

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 PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input checked="" type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input 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.

Drill 8-1/2" hole to 8930'.

Run 5-1/2" casing as follows:

| | | |
|---------|--------------------------|-------|
| 1 | Guide Float Shoe | 1' |
| 1 Jt | 5-1/2" 17 #/FT P-110 LTC | 42' |
| 1 | Float Valve Collar | 1' |
| 44 Jts | 5-1/2" 17 #/FT P-110 LTC | 1861' |
| 5 Jts | 5-1/2" 17 #/FT L-80 LTC | 208' |
| 1 | DV Stage Tool | 2' |
| 164 Jts | 5-1/2" 17 #/FT L-80 LTC | 6830' |
| | | 8945' |

Set casing @ 8930'. Cemented 1st stage with 800 sxs Super C + 5% NACL + 5/10% BA-10 + 5 #/SX LCM-1 + 6/10% FL. Cemented 2nd stage with 475 sxs Super C + 5% NACL + 5/10% BA-10 + 5 #/SX LCM + 6/10% FL followed with 100 sxs Class "C" neat. Both plugs bumped DV Tool performed as expected. Circulated 158 sxs to pit after 1st stage. ND BOP. Set slips. Install Tbg head. Release rig @ 20:00 HRS 4/25/05.

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/closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Michael S. Daugherty TITLE V.P. OPERATIONS DATE 4/27/2005
(972)
Type or print name MICHAEL S. DAUGHERTY E-mail address: mdaugherty@jdmii.com Telephone No. 931-0700

For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE MAY 06 2005
Conditions of Approval (if any): _____