District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 ☐ AMENDED REPORT 30.0/5-34453
Property Code WELL LOCATION AND ACREAGE DEDICATION PLAT ² Pool Code 82770 PENASCO DRAW MORROW ⁵ Property Name ⁶ Well Number **RIO STATE** 8 Operator Name 7 OGRID No. Elevation MURCHISON OIL AND GAS, INC. 3650 015363 ¹⁰ Surface Location UL or lot no. Lot Idn Feet from the East/West line Township Feet from the Section Range 990 **NORTH EDDY** 24-E EAST A **36** 18-S 660 Bottom Hole Location If Different From Surface North/South line Feet from the UL or lot no. Feet from the East/West line County Section Township 12 Dedicated Acre 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 INFILL 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. 16 17 OPERATOR CERTIFICATION of my knowledge and belief, and that this argu-660 LAT N32.70936 2/16/06 LON W104.53535 5 PACING UNIT ¹⁸SURVEYOR CERTIFICATION RECEIVED
FEB 2 1.2006 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 EXISTING WELL same is true and correct to the best of my belief. **FEBRUARY 13, 2006** R. RED Date of Survey



MURCHISON OIL & GAS, INC.

MURCHISON PROPERTIES, INC.

VIA CERTIFIED MAIL

February 16, 2006

Mr. Bryan Arrant
State of New Mexico
Oil Conservation Division
District II
1301 W. Grand Avenue
Artesia, New Mexico 88210-2834

RECEIVED
FEB 2,1 2006
OUU-AHTEOM

RE: RIO STATE #4

EDDY COUNTY, NM.

Dear Mr. Arrant:

Please find attached the following:

- 1) Form C-102 (Loc. Plat)
- 2) Form C-144 Original + 6 copies
- 3) Mud Program
- 4) Letter to OCD regarding H2S contingency plan

Please note that Form C-101 (APD) will be submitted online in a couple of days.

If you have any questions please call me.

Very truly yours,

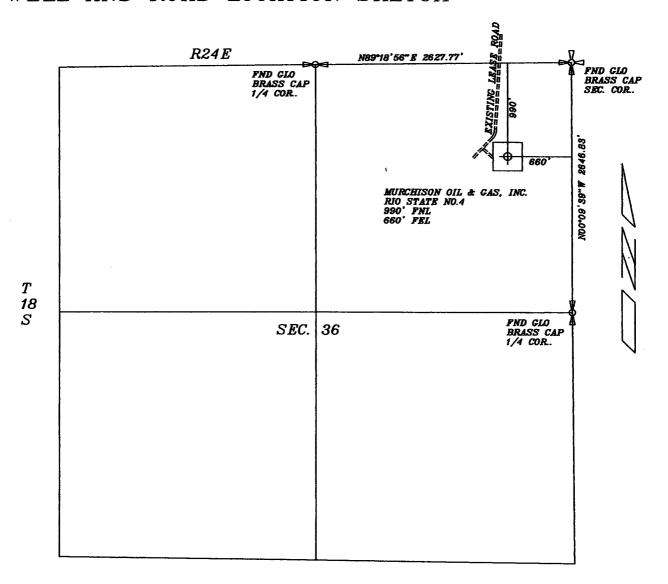
MURCHISON OIL & GAS, INC.

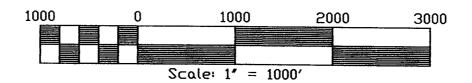
Carla Tracy

Ct/RioSt#4-C101&102etc

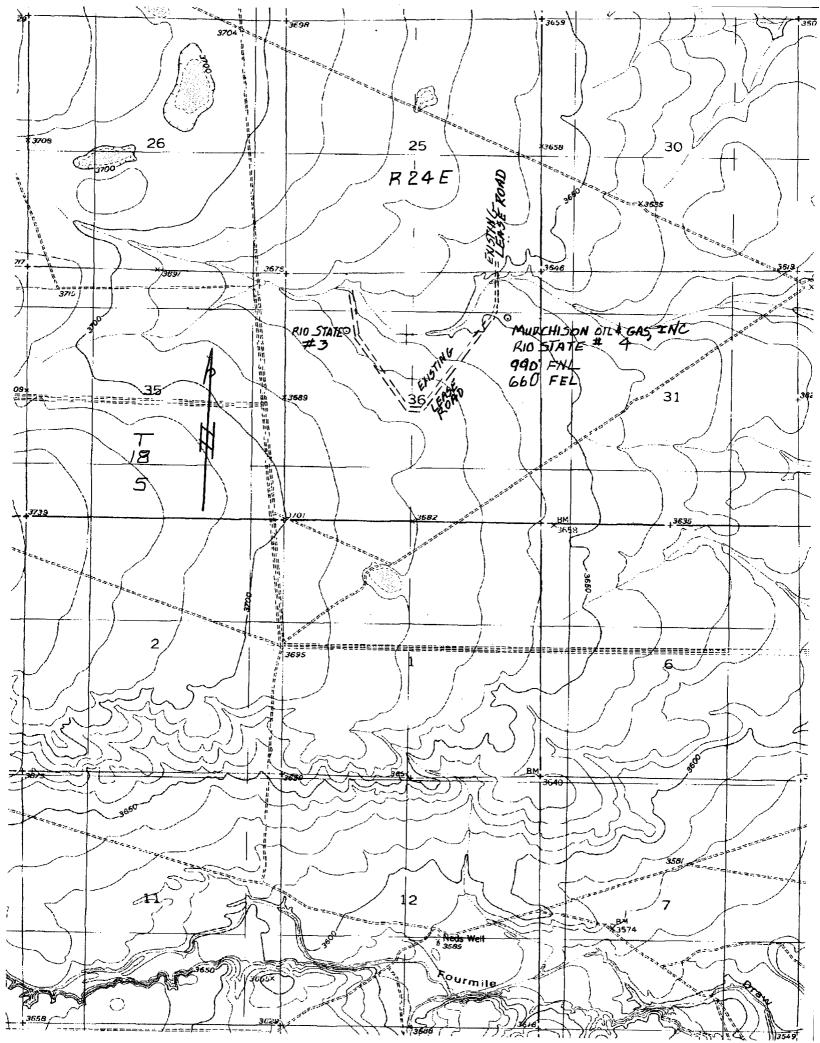
Encl.

WELL AND ROAD LOCATION SKETCH





PREPARED FOR: MURCHISON OIL & GAS, INC. PREPARED BY: DAN R. REDDY NM PE&PS #5412 FEB. 13, 2006



MURCHISON OIL & GAS, INC.

RECEIVE

RIO STATE #4 SEC. 36, T18S, R24E 990' FNL & 660' FEL EDDY CO., NM. FEB 2,1-7000 OUURANTERNO

MUD PROGRAM

<u>DEPTH</u>	<u>WEIGHT</u>	CHLORIDES	<u>VISCOSITY</u>	FILTRATE
0' – 360'	8.4	0 – 10K	32 – 36	NO CONTROL
360' – 1,150'	8.4	0 – 10K	28 – 29	NO CONTROL
1,150' — 5,200'	8.4 – 8.8	0 – 40K	28 – 29	NO CONTROL
5,200' - 8,000'	8.6 – 9.2	40 – 60K	28 – 29	25 WL
8,000' - 9,000'	8.8 - 9.4	50 – 70K	38 – 48	6 – 8 WL

PH to be maintained at 10 or above



MURCHISON OIL & GAS, INC.

MURCHISON PROPERTIES, INC.

February 16, 2006

Mr. Bryan Arrant State of New Mexico Oil Conservation Commission 1301 W. Grand Avenue Artesia, New Mexico 88210

FEB 2 I 2006

RE: RIO ST #4

990' FNL & 660' FEL SEC. 36, T18S, R24E EDDY CO., NM.

Dear Bryan:

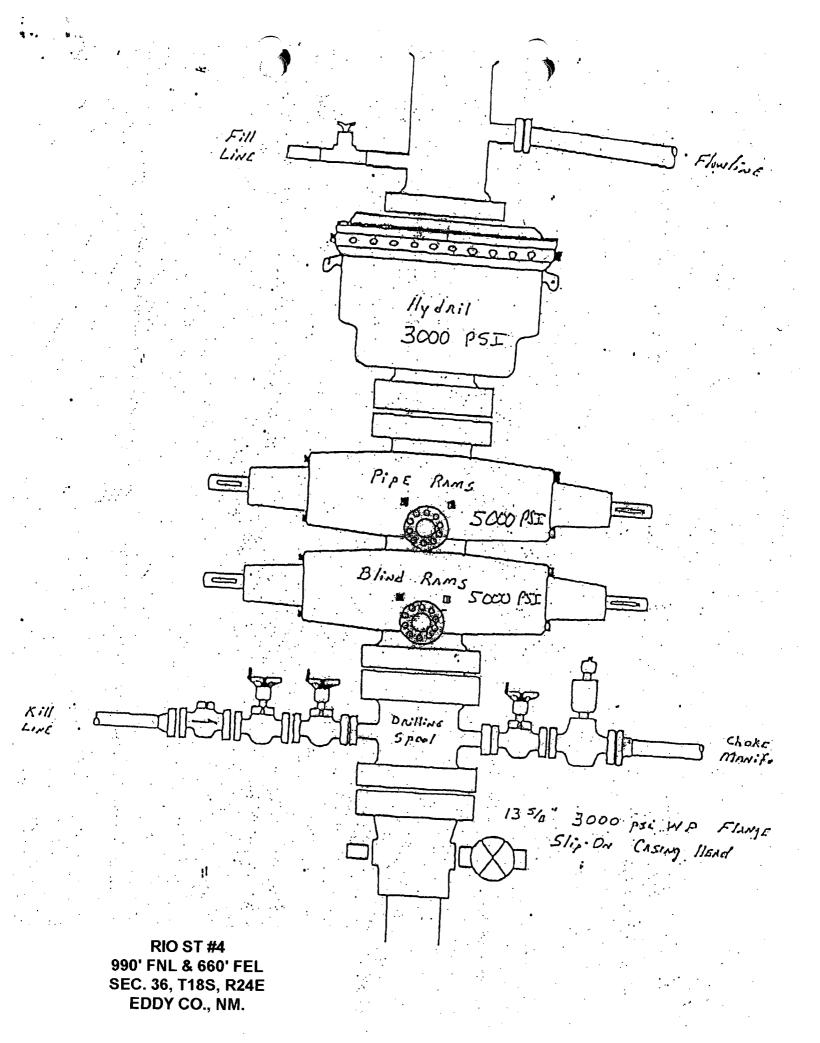
This letter is in reference to the OCD's requirements for H2S contingency plan for the above captioned well. No H2S is expected in the drilling of the above captioned well. H2S detection equipment will be installed prior to the top of the Delaware formation as a precautionary measure.

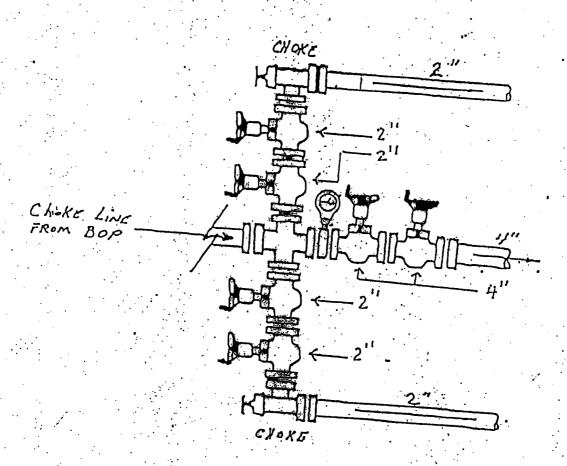
Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty
Vice President Operations

MSD/ct/RioSt#4-OCDH2S





RIO ST #4 990' FNL & 660' FEL SEC. 36, T18S, R24E EDDY CO., NM.