

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Murchison Oil GAs, INC.

3a. Address

1100 Mira Vista Blvd.
Plano, TX 75093-4698

3b. Phone No. (include area code)

(972) 936-0700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 10, T-25S, R-26E
1650' FNL & 1650' FEL

5. Lease Serial No.

NM 19423

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

White City 10 Fed. #1

9. API Well No.

30-015-22396

10. Field and Pool, or Exploratory Area

White City Penn

11. County or Parish, 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 checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

See Attached Proposed Procedure

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tommy W. Folsom

Title

Production manager

Signature

[Signature]

Date

06/16/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date

JUN 23 2003

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

MURCHISON OIL AND GAS, INC.
WHITE CITY 10 FEDERAL COM #1
Sec. 10, T-25S,R-26E
1650' FNL AND 1650' FEL
EDDY COUNTY, NEW MEXICO

CISCO CANYON
WORKOVER PROCEDURE

MARCH 17,2003

CASING:

Surface -	16"	- 65#, H-40 ST&C @ 223'	Cmt cir.
Intermediate	10 3/4"	- 40.5# K-55 ST&C @ 1,784'	Cmt cir.
Deep Intermediate	7 5/8"	- 29.7#, & 26.4# S-95 & N-80 @ 8,576'	CT N/A
Production Liner	5"	- 15# & 18# N-80 LT&C 8,214' TO 12,006'	Cmt w/ 525 sx

LOGS:

Schlumberger - CBH-CSL-CNFDL dated 05/30/78

REFERENCE LOG:

CBH-CSL-CNFDL dated 05/30/78

GL - 3,384' KB - 3,399' KB correction: - 15'

PERFORATIONS:

STRAWN - 10,678' TO 10,691' 06/13/90

ATOKA - 10,798' TO 10,804' 06/13/90

ATOKA - 10,978' TO 10,988' 06/13/90

MORROW - 11,834' TO 836', 11,906' TO 912', 11,915 TO 933', 11,964' TO 966' (P & A)

EQUIPMENT:

Tubing	-	Estimated 338 jts \pm 2 3/8" eue 8rd N-80 4.7#
Packer	-	2 3/8" x 5" Baker Loc - Set at 10,657'
Tree	-	5K
Stack Pack	-	750 MMBTU 3 phase gas production unit
Tanks	-	1- 500 Bbl FG water tank

PROPOSED PERFORATIONS:

Cisco Canyon - 10,260' to 268', 10,278' to 280', 10,290' to 294', 10,302' to 304', 10,314' to 318', 10,322' to 326', 10,334' to 339', 10,342' to 354', 10,364' to 370', 10,380' to 387', 10,391' to 400', 10,408' to 414'

MOGI
White City 10 Federal Com #1
Cisco Canyon
Workover procedure
03/17/03
Page 2 of 3

HISTORY:

The White City 10 Federal Com #1 (the well) was completed in Morrow perforations 11,834' to 11,966' in 06/78. These Morrow perforations produced 271,360 MMCF and 28,244 Bbls water from first production down line of 12/78 to 6/83. A tbq leak was repaired in 07/82 and perforations 11,558' to 11,591 were added with short lived increase in gas production, when the well was flooded out by water. When the tbq leak was repaired in 1982 the packer was stuck in the liner top at 8,243'. The packer was left at the Liner top for the continued production of the Morrow, until it died in 1983.

The well was T&A until 1990 when Murchison Oil and Gas, Inc. purchased the well from Mesa and milled out the packer. The well was re - completed in the Atoka, and Strawn formations 10,678' to 10,988' and produced 67,559 MMCF and 1423 Bbls water from 6/90 to 5/98. When a leak developed in the ElPaso gas line and the well was left T&A until a line was laid in 9/99 and the well was placed back on production .

DISCUSSION:

The well has had high water production from the Morrow, Atoka, and Strawn formations. The water production may not be from perforated intervals but from channels behind pipe. A bond log was ran on 6/27/78 with good to fair bond reported, however this bond tool would not indicate a channel. The tbq pressure will still build to 1500 psi indicating good BHP potential.

Problems with the 5" liner top were indicated during the original completion sticking tools, entry problems, and cutting elements on packers both wireline and tbq conveyed. The liner top was never dressed or milled but had csg scrapper ran through it two times, once in the original drill out and again in 1990 workover.

There were gas shows indicated in the Wolfcamp while drilling the White City 10 Fed. #1 with significant gas shows in other wells drilled in this area. Only one well in this area has produced from this zone to date the Jake State #1 (36-T24S-R26E) and it has a cum. production of 2.59 BCF as of 9/02. It is recommended that the White City 10 Fed #1 be worked over, checked for potential channels casing integrity, and a completion attempt be made in the Cisco Canyon.

PROCEDURE:

1. Test anchors, set matting boards, RUPU.
2. RU swab and swab well for water volume test and gas flow potential.
3. RU Survey company and run flowing temp survey, check for flow from below and above perforations.
 - A. If flow is above or below perforations and behind pipe.
 1. ND tree, NU 5k BOP, release packer cir. as required and POOH w/ tbq and packer.
 2. Run gauge ring and junk basket, and run CET log to check for channel and potential squeeze.
 3. If required squeeze as needed and drill out as needed.
 4. TIH w/ tbq and packer and test Strawn and Atoka perforations for flow if channel was indicated and squeezed.
 5. Plug Strawn and Atoka perforations w/ RBP if economical potential for production was tested, and continue w/ step 5.

B. If a channel is not indicated in survey, continue w/ step 4.

4. ND tree NU 5k BOP, release packer and cir hole clean w/ 2% KCL water. RU wireline and run gauge ring and junk basket. GIH w/ CIPB and set at 10,750' and cap w/ 35" cmt via dump bailer. Load and pressure test CIBP and csg to 2000 psi.

NOTE: (Shop tree for repair)

5. RU Wireline and perforate Cisco Canyon w/ 3 3/8" expendable csg guns at 2 JSPF 120 degree phasing using full lubricator as follows:

10,260' to 10,268' - 8' - 17 holes	10,278' to 10,280' - 2' - 5 holes
10,290' to 10,294' - 4' - 9 holes	10,302' to 10,304' - 2' - 5 holes
10,314' to 10,318' - 4' - 9 holes	10,322' to 10,326' - 4' - 9 holes
10,334' to 10,339' - 5' - 11 holes	10,342' to 10,354' - 12' - 25 holes
10,364' to 10,370' - 6' - 13 holes	10,380' to 10,387' - 7' - 15 holes
10,391' to 10,400' - 9' - 19 holes	10,408' to 10,414' - 6' - 13 holes
TOTAL 69' net pay 150 holes	

6. TIH w/ (knock out plug, 10' x 2 3/8" N-80 sub, IF CIBP IS RAN ONLY), 2 3/8" AS 1 packer w/ 1.81 F nipple and tbg sufficient to set packer at 10,160' \pm .

NOTE: (Test tbg in hole to 7 k above slips)

7. NDBOP and NU tree and (drop bar if knock out plug ran) flow and swab for production test
8. If required Acid treat w/ 4000 gals 20% gelled acid at 4 to 5 BPM and flush to bottom perforation w/ 2% KCL water w/ 7000 psi max pressure.

NOTE: (Tree saver will be required)

9. Flow and swab as needed for clean up and production test.
10. Run BHPB for 72 hr build up, repair surface equipment as needed, and four point down line.
11. Commingle Strawn and Atoka if available.

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 WHITE CITY 10 FEDERAL COM. #1
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 1650' FNL AND 1650' FEL
 EDDY COUNTY, NEW MEXICO
 API# 30 - 015 - 22396

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