

Submit 3 Copies To Appropriate District  
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

Form C-103  
May 27, 2004

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

WELL API NO. 30-015-34653
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-3017
7. Lease Name or Unit Agreement Name RIO STATE
8. Well Number 4
9. OGRID Number 015363
10. Pool name or Wildcat PENASCO DRAW; MORROW (GAS)

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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	RECEIVED
2. Name of Operator MURCHISON OIL & GAS, INC.	MAY 16 2006
3. Address of Operator 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698	OCD-ARTESIA
4. Well Location Unit Letter A : 990 feet from the NORTH line and 660 feet from the EAST line Section 36 Township 18S Range 24E NMPM County EDDY	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL 3650' RKB 3667'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 checked="" 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.

Spud well @ 09:00 HR 5/4/2006 with 17-1/2" hole and drill to a depth of 360'. Lost returns @ 210'. Ran 13-3/8" casing as follows:

1	Float Shoe	1'
1 Jt	13-3/8" 54.5 #/FT J-55 Butt	41'
1	Float Collar	1'
7 Jts	13-3/8" 54.5 #/FT J-55 Butt	323'
		366'

Set casing @ 360'. Cement w/ 300 SXS 35/65 POZ "C" + 2% CACL followed with 150 SXS "C" Neat + 2% CACL. Bump plug. Floats held. Did not circulate cement. No returns to surface. WOC 8 HRS and run temp survey. Top of cement @ 84'. Cement through 1" down backside with 175 SXS Class "C" neat. WOC 2 Hrs. Pump 80 SXS of Class "C" through 1" down backside and circulated 13 SXS to pit. Cut conductor and 13-3/8". Weld on wellhead. Nipple up BOP. Test to 800 PSI. Held OK. WOC 21 Hrs. Pick up BHA and go in hole. Drill out Float collar. Test casing to 800 PSI for 30 min. held OK. Drill shoe and resume drilling operations with 12-1/4" bit.

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

SIGNATURE Michael S. Daugherty TITLE VICE PRESIDENT OPERATIONS DATE 5/10/2006

Type or print name MICHAEL S. DAUGHERTY E-mail address: mdaugherty@jdmii.com Telephone No. (972) 931-0700  
For State Use Only

FOR RECORDS ONLY

MAY 16 2006

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any): \_\_\_\_\_

Submit 3 Copies To Appropriate District 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

Form C-103  
May 27, 2004

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

WELL API NO. 30-015-34653
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-30177
7. Lease Name or Unit Agreement Name RIO STATE
8. Well Number 4
9. OGRID Number 015363
10. Pool name or Wildcat PENASCO DRAW; MORROW (GAS)

**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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator  
MURCHISON OIL & GAS, INC.

3. Address of Operator  
1100 MIRA VISTA BLVD.  
PLANO, TX. 75093-4698

4. Well Location  
Unit Letter A : 990 feet from the NORTH line and 660 feet from the EAST line  
Section 36 Township 18S Range 24E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
GL 3650' RKB 3667'

Pit or Below-grade Tank Application ☐ or Closure ☐

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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <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.

Drilled a 12-1/4" hole to a depth of 1160'. Ran 9-5/8" casing as follows:

1	Float Shoe	1'
1 Jt	9-5/8" 43.5 #/FT N-80 LT&C	38'
1	Float Collar	1'
30 Jts	9-5/8" 43.5 #/FT N-80 LT&C	1127'
		1167'

Set casing @ 1160'. Cemented w/ 450 SXS 35/65 POZ Class "C" + 6% D20 + 6% S1 + 5 PPS D24 + .125 PPS D130 followed by 200 SXS Class "C" + 2% SI + .125 PPS D130. Bumped plug w/ 950 PSI. Floats held. Circulate 46 SXS to reserve pit. WOC 8 Hrs. Cut 9-5/8" casing and install "B" section. Test to 3000 PSI for 30 minutes. OK. NU BOP. Test to 5000 PSI. Held OK. Test Hydrill to 3500 PSI. WOC total 24 Hrs. Drill out float collar and test casing to 1000 PSI for 30 min. Tested OK. Drill out shoe and new formation w/ 8-1/2" bit.

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

SIGNATURE Michael S. Daugherty TITLE VICE PRESIDENT OPERATIONS DATE 5/10/2006

Type or print name MICHAEL S. DAUGHERTY E-mail address: mdaugherty@jdmii.com Telephone No. (972) 931-0700  
**For State Use Only**

**FOR RECORDS ONLY**  
APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE MAY 16 2006  
Conditions of Approval (if any): \_\_\_\_\_