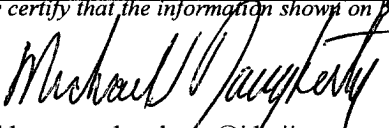


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-34653 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No. L-3017
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. WELL OVER BACK RESVR. ☐ OTHER		7. Lease Name or Unit Agreement Name RIO STATE
2. Name of Operator MURCHISON OIL & GAS, INC.		8. Well No. 4
3. Address of Operator 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698		9. Pool name or Wildcat PENASCO DRAW; MORROW (GAS)
4. Well Location Unit Letter <u>A</u> : <u>990</u> Feet From The <u>NORTH</u> Line and <u>660</u> Feet From The <u>EAST</u> Line Section <u>36</u> Township <u>18S</u> Range <u>24E</u> NMPM County <u>EDDY</u>		
10. Date Spudded 5/4/2006	11. Date T.D. Reached 6/5/2006	12. Date Compl. (Ready to Prod.) 7/3/2006
13. Elevations (DF& RKB, RT, GR, etc.) GL 3650' RKB 3667'		14. Elev. Casinghead
15. Total Depth 8949'	16. Plug Back T.D. 8861'	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By		19. Producing Interval(s), of this completion - Top, Bottom, Name 8682 - 8700' MORROW
20. Was Directional Survey Made N/A		21. Type Electric and Other Logs Run DUAL LATEROLOG, COMPENSATED NEUTRON/DENSITY, GR
22. Was Well Cored NO		23. CASING RECORD (Report all strings set in well)
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
13-3/8"	54.5 #/FT	360'
9-5/8"	43.5 #/FT	1160'
5-1/2"	17 #/FT	8949'
24. LINER RECORD		25. TUBING RECORD
SIZE	TOP	BOTTOM
		SACKS CEMENT
		SCREEN
		SIZE
		DEPTH SET
		PACKER SET
26. Perforation record (interval, size, and number)		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
8682 - 8694 12' 4 HOLES/FT 48 HOLES		DEPTH INTERVAL
8698 - 8700 2' 4 HOLES/FT 8 HOLES		AMOUNT AND KIND MATERIAL USED
28. PRODUCTION		
Date First Production 7/3/2006	Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING	
Well Status (Prod. or Shut-in) PRODUCING		
Date of Test 7/3/2006	Hours Tested 4	Choke Size 14/64
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 409
Water - Bbl 0	Gas - Oil Ratio N/A	
Flow Tubing Press. 2200	Casing Pressure 0	Calculated 24-Hour Rate
Oil - Bbl 0	Gas - MCF 2455	Water - Bbl 0
Oil Gravity - API - (Corr.) N/A		
29. Disposition of Gas (Sold, used for fuel, vented, etc.) FLARED		Test Witnessed By TOMMY FOLSOM
30. List Attachments DUAL LATEROLOG, COMPENSATED NEUTRON/DENSITY, GR		
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief		
Signature 		Printed Name MICHAEL S. DAUGHERTY Title V.P. OPERATIONS Date 7/20/2006
E-mail Address mdaugherty@jdmii.com		

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico	
T. Anhy	T. Canyon	7482	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	7723	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	8820	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	8871	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian		T. Menefee	T. Madison
T. Queen	T. Silurian		T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya		T. Mancos	T. McCracken
T. San Andres 620	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta 2000	T. McKee		Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger		T. Dakota	T.
T. Blinebry	T. Gr. Wash		T. Morrison	T.
T. Tubb 3408	T. Delaware Sand		T. Todilto	T.
T. Drinkard	T. Bone Springs		T. Entrada	T.
T. Abo 4030	T.		T. Wingate	T.
T. Wolfcamp 5125	T.		T. Chinle	T.
T. Penn	T.		T. Permian	T.
T. Cisco (Bough C) 6727	T.		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....6512.....to.....6710.....
 No. 2, from.....7624.....to.....7638.....
 No. 3, from.....8682.....to.....8700.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
1160	2000	840	DOLOMITE				
2000	4040	2040	DOLOMITE & SAND				
4040	5260	1220	DOLOMITE & SHALE				
5200	6000	740	DOLOMITE, LIME & SHALE				
6000	6160	160	DOLOMITE, LIME, SAND&SHALE				
6160	6720	560	DOLOMITE, LIME & SHALE				
6720	7000	280	DOLOMITE, LIME, SAND&SHALE				
7000	8950	1950	LIME, SAND & SHALE				