

OCD-ARTESIA

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.5. Lease Serial No.
SH: NMNM98807 BHL VO5557 (STATE LEASE)

6. If Indian, Allottee or Tribe Name

N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Murchison Oil & Gas, Inc. OGRID #0153633a. Address
1100 Mira Vista Blvd
Plano, TX 750933b. Phone No. (include area code)
972-931-04004. Location of Well (Footage, Sec., T, R, M., or Survey Description)
At Surface 1780' FSL & 300' FCL, Lot 1
At Proposed Prod Zone 1930' FSL & 330' FWL I-25-16S-27E7. If Unit of CA/Agreement, Name and/or No.
N/A8. Well Name and No.
Carbon Valley 25 Fed Com #8H9. API Well No.
30-015-3985110. Field and Pool or Exploratory Area
DOG CANYON: WOLFCAMP (17970)11. Country or Parish, State
Eddy County, New Mexico

12. CHECK THE 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 checked="" type="checkbox"/> Other BOP, prod. zone,
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	directional drilling and
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	casing depth changes

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

We respectfully request the drilling rig's BOP pressure requirement be reduced from 5000 psi to 3000 psi. We believe the 3000 psi rating will be adequate for our maximum expected bottom hole pressure of 2800 psi. We simultaneously request the elimination of any associated mud equivalency test requirement.

We respectfully request the option to remove the tangent portion of our directional plan as presented in part 7.E (page 5 of 5) of the Attachment to Form 3160-3, a part of the APD. The directional pathway we are proposing is also found in the Pathfinder plan that is attached to the APD.

NA - no tangent on approved plan.
We respectfully request the option to stimulate and produce from the entire length of the lateral, and not just the toe and middle sections as mentioned in part 7.E (page 5 of 5) of the Attachment to Form 3160-3 as part of the APD.

We respectfully request the option to set the 7" intermediate casing shoe at our discretion, in a range from approximately 100 ft. above the kickoff point (currently planned to be at 5756 ft. measured depth) to the landing of the curve in the horizontal (currently planned to be at 6612 ft. measured depth). Cement volumes to be pumped will be adjusted according to the actual casing setting depth.

Accepted for record

NMOCD 10/3/2012

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

MAR 20 2012

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Donna Stratton

Title Regulatory Agent

Signature

Date 02/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

APPROVED

MAR 16 2012

Date

WESLEY W. INGRAM
PETROLEUM ENGINEER

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

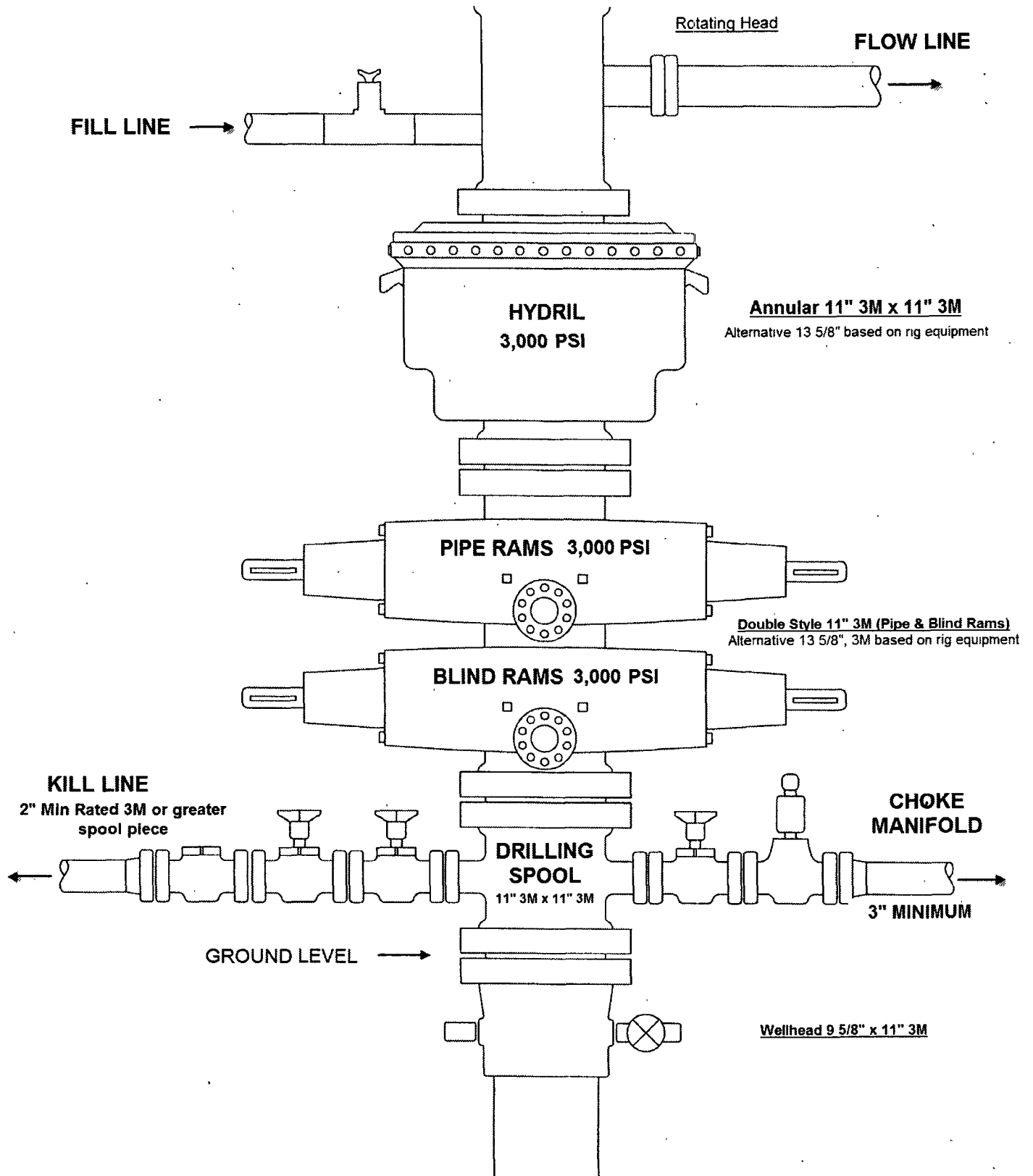
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

EXHIBIT G-1

CARBON VALLEY 25 FEDERAL COM

BOP STACK



**Carbon Valley 25 Fed Com 8H
30-015-39851
Murchison Oil & Gas, Inc.
March 16, 2012
Conditions of Approval**

- 1. Approved for 3M system and the elimination of formation integrity tests.**
- 2. Reviewed with operator on 3/16/2012 – the approved directional plan did not have a tangent section. Therefore, this item is considered non-applicable.**
- 3. Operator is approved to stimulate and produce entire length. Operator should be aware that the stimulation in the sections already treated in the 5H could result into a fracture into that well bore.**
- 4. Operator approved for 7" casing setting depth range of 6350' – 6611' MD as long as the casing is set a minimum of 50' below the top of the Wolfcamp.**

WWI 031612