

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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
SHL: NMNM98807 BHL: V05557 (ST LSE)
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 ☐ Other

2 Name of Operator
MURCHISON OIL & GAS, INC.

3a. Address
1100 MIRA VISTA BLVD
PLANO, TX 75093

3b Phone No (include area code)
972-931-0700

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

8 Well Name and No.
CARBON VALLEY 25 FED COM #8H

9. API Well No.
30-015-39851

10 Field and Pool or Exploratory Area
DOG CANYON, WOLFCAMP (17970)

4. Location of Well (Footage, Sec., T, R, M, or Survey Description)
1780' FSL & 330' FWL, SEC 25, T16S, R27E

11. County or Parish, State
EDDY COUNTY, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

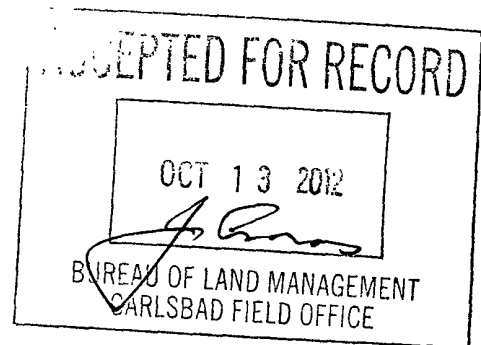
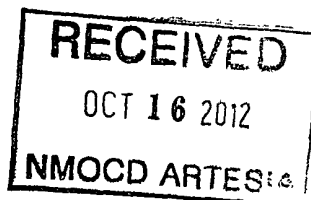
TYPE OF SUBMISSION	TYPE OF ACTION				
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity	
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>BOP TEST DATA</u>	
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection	☐ Plug Back	☐ 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 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.)

COPIES OF BOP TEST CHARTS AND BATTLE ENERGY SERVICES TESTS REQUIRED BY COA ITEM C.3.c. & d. ATTACHED.

Accepted for record
NMOCD

Steve Morris 10/16/12



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

STEVE MORRIS

Title SENIOR DRILLING ENGINEER

Signature

Date 09/28/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)



PO Box 7
Lovington, NM 88260
(575) 224-2345 (575) 942-9472

Company Muchison Oil Gas Date 9-7-12

Lease Carbon Valley Fed B-H County Edwards NM

Drilling Contractor HWD #4 Plug & Drill Pipe Size 2 1/2" 4"

Accumulator Function Test - OO&GO#2

To Check - **USABLE FLUID IN THE NITROGEN BOTTLES** (IIA.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
 1. Open HCR Valve, (if applicable)
 2. Close annular.
 3. Close all pipe rams
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
 6. Record remaining pressure 1250 psi. Test Fails if pressure is lower than required.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}
 7. If annular is closed, open it at this time and close HCR.

To Check - **PRECHARGE ON BOTTLES OR SPHERICAL** (IIA.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
 1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
 3. Record pressure drop. 0.0 psi. Test fails if pressure drops below minimum.
- Minimum: a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - **THE CAPACITY OF THE ACCUMULATOR PUMPS** (IIA.2.f.)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, (manifold psi should go to 0 psi) close bleed valve.
 1. Open the HCR valve, (if applicable)
 2. Close annular
 3. With pumps only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time 1:55. Test fails if it takes over 2 minutes.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}

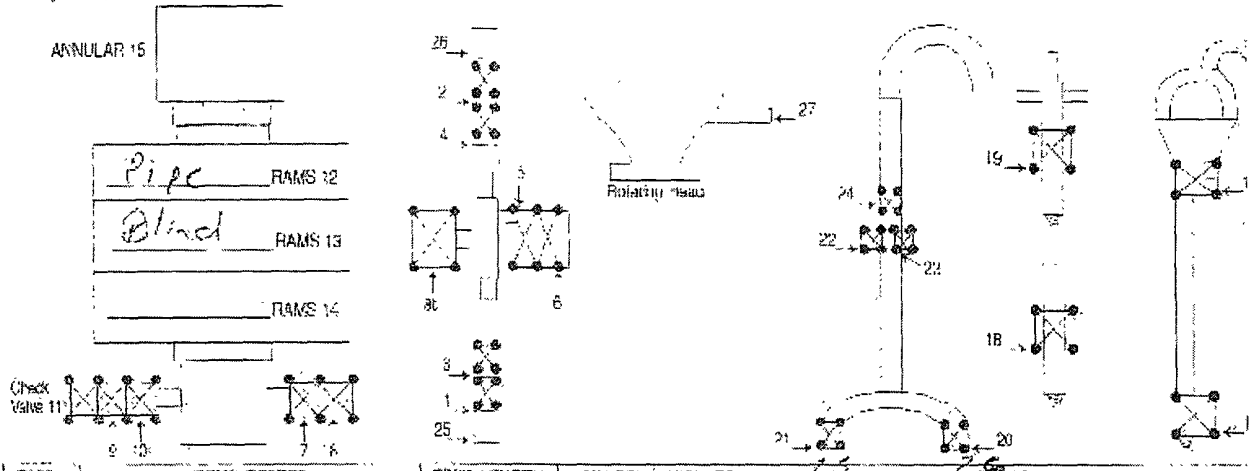


PO Box 7
Lovington, NM 87660
(775) 274-2347 (775) 942-9477

INVOICE

No B 0484

Company Murphy Oil & Gas Date 9-7-12 Start Time 1:00 ☐ AM ☒ PM
Lease Carrollville Fed 8-14 Horizontal 14 County Eddy State NM
Company Man _____
Wellhead Vendor _____ Tester D. M. Stang
Drill Contractor HW Rig # 4
Tool Pusher _____
Plug Type C-27 Plug Size 11" Drill Pipe Size 4"
Casing Valve Opered Yes Check Valve Open Yes

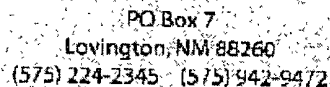


TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1	2, 2, 5	10/10	250	5000	
2	1, 2, 5	10/10	250	5000	
3	2, 4	10/10	250	5000	
4	22, 23, 21, 22	10/10	250	5000	
5	22, 23, 25, 26	10/10	250	5000	
6	3, 4, 5, 10, 13	10/10	250	5000	
7	10, 8, 12	10/10	250	5000	
8	11, 7, 12	10/10	250	5000	
9	12, 7, 15	10/10	250	2500	
10	18	10/10	250	5000	
11	3, 4, 5, 10, 13, 6000	30	250	1500	
12	3, 4, 5, 10, 13, 6000	30	250	1500	

MOGI RIG SITE
ACCT. CODE: 301-256
AFE: 710004
WELL NAME: CARROLLVILLE 14
APPROVED: CS
DATE: 9/5/12

4 HR @ 8.00
22 HR @ 10.00
Mileage 120 @ 1.20 120.00
MATH PRINTERS 575-250-2001

SUB TOTAL 300.00
TAX 12.00
TOTAL 312.00



Accumulator Function Test - 00&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
 - Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems)
 6. **Record remaining pressure _____ psi. Test Fails if pressure is lower than required.**
 - a. {950 psi for a 1500 psi system}
 - b. {1200 psi for a 2000 & 3000 psi system }
 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III A.2.d)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. [800 psi for a 1500 psi system] b. [1100 psi for 2000 and 3000 psi system]
- 1. Open bleed line to the tank, slowly. **(gauge needle will drop at the lowest bottle pressure)**
- 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
- 3. **Record pressure drop _____ psi. Test fails if pressure drops below minimum.**
- Minimum: a. [700 psi for a 1500 psi system] b. [900 psi for a 2000 & 3000 psi system]

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (HILA.2.E)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank. (manifold psi should go to 0 psi) close bleed valve.
 1. Open the HCR valve, (if applicable)
 2. Close annular
 3. With pumps only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time 2:13. Test fails if it takes over 2 minutes.
 - a. (950 psi for a 1500 psi system)
 - b. (1200 psi for a 2000 & 3000 psi system)

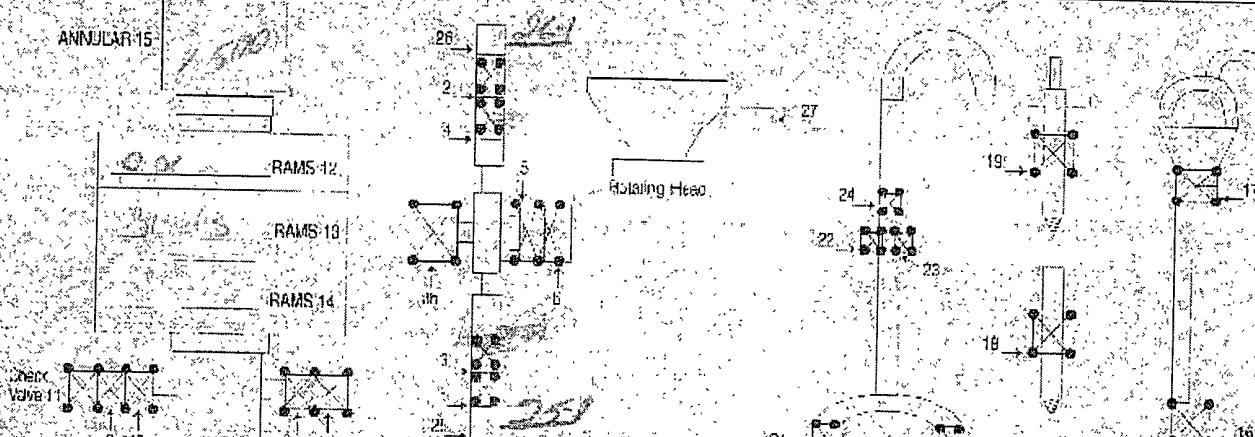


PO Box 7
Lovington, NM 88260
(505) 224-2345 (505) 942-9472

INVOICE

B 0508

Company Much 300 Date 9-2-10 Start Time 9:00 am/pm
Lease Palmer Valley 25 1/2 6 6 6 County Curry State NM
Company Man _____
Wellhead Vendor _____ Tester S. Chelton
Drig. Contractor HAIO Rig # _____
Tool Pusher _____
Plug Type Compressor Plug Plug Size _____ Drill Pipe Size _____
Casing Valve Opened _____ Check Valve Open _____



TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1	25-1 24-3 8	1/2"	150	700	
2	12-5 1/2	1/2"	200	800	
3	3-9-5-9-13	1/2"	250	900	
4	25-28-5-8	1/2"	450	3000	2nd, pressure change to 2nd
5	8-10-12-18	1/2"	250	2500	3rd, pressure change to 3rd
6	11-10-18	1/2"	250	3000	4th, pressure change to 4th
7	7-11-15-18	1/2"	250	3500	5th, pressure change to 5th
8	15-18	1/2"	250	3500	
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HR @ 200
HR @ 200
Village 0
MASTER PRINTERS 575.396.3661
SUB TOTAL 3300
TAX 171
TOTAL 3471

