

## New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

JUN 11 2009

RM

Form 3160-3  
(April 2004)

RECEIVED

JUN 09 2009

UNITED STATES

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBSDR

## 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 &amp; Gas, Inc.

## 3a. Address

1100 Mira Vista Blvd., Plano, TX. 75093-4698

## 3b. Phone No. (include area code)

972-931-0700

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

1310' FSL & 1310' FWL,  
Section 28, T15S, R28EFORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

## 5. Lease Serial No.

NM NM 103868

## 6. If Indian, Allottee or Tribe Name

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

## 8. Well Name and No.

Windmill Federal Com #1

## 9. API Well No.

30-005-63338

## 10. Field and Pool, or Exploratory Area

Wildcat

## 11. County or Parish, State

Chaves Co., NM

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

## TYPE OF SUBMISSION

## TYPE OF ACTION

☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Response to 5/6/2009

Notice of Orders of

the BLM Auth. Office

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.)

In response to the Notice of Orders of the BLM Authorized Officer dated May 6, 2009, Murchison Oil & Gas, Inc. ("MOGI") had our Production Manager - Tommy Folsom conduct an on-site review of the Notice of Orders with Mr. Randy Legler - BLM Natural Resource Specialist on Monday, May 18, 2009 along with independent dirt contractors. Murchison has selected a dirt contractor and operations will commence upon acceptance of this Sundry Notice (anticipated to be early June) to comply with the required remediation for the environmental problems addressed in the Notice. (Please see attached planned procedures).

The Orders of the Authorized Officer provide necessary corrective action requirements to be met no later than 30 days after receipt of this written order. Due to the corrective action required, Murchison Oil & Gas, Inc. would like to request consideration for a 30 day extension to complete the said operations.

ENTERED IN  
AFMSS

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

A. Arnold Nall

Title V P Operations

Signature

Date

05/28/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ISL Angel MayesAssistant Field Manager,  
Lands And Minerals

Date JUN 04 2009

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

ROSWELL FIELD 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)

**Murchison Oil & Gas, Inc.  
Windmill Federal Com #1  
SW/4 SW/4 Sec. 28-T15S-R28E  
API # 30-005-63338  
Chaves County, New Mexico**

**Attachment to BLM – Form 3160-5  
RE: Notice of Orders of the BLM Authorized Officer dated May 6, 2009**

Environmental Problem No. 1 – Pit area revegetation is not satisfactory.  
Environmental Problem No. 2 – Pad revegetation is not satisfactory.

Planned corrective action: The contaminated soil will be taken up and placed on top of pit area. A 1' trench will be dug 10-15' outside the pit area and sharp sticks, rocks, etc. will be removed from trench area as not to puncture the 220' x 220' 20 mil liner that will be placed to cover the old pit area. The liner will then be covered with 1.5 to 2' of caliche as an anchor to the liner. Top soil will be hauled in to fill in where material was removed and put on top of pit area. Additional top soil will be hauled in 1.5 to 2' and placed on caliche over the pit area. The top soil will be feathered out to blend and cover the natural gyp site to north of pad and pit area. It will then be seeded to a native seed mixture as described in Notice of Orders by the BLM. A 2' x 400' berm will be built along the road to stop traffic to location.

Mr. Legler said that MOGI will have two growing seasons to allow for plant growth over the area following remedial efforts. Once growth occurs, MOGI will notify the BLM of same at which time additional inspection will be required prior to acceptance and closure on the noted environmental issues.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Pecos District  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019  
www.nm.blm.gov



In Reply Refer To: 3160  
Case/Lease Number: NMNM 103868  
Order No. 04-017-09W

MAY 06 2009

CERTIFIED MAIL--RETURN RECEIPT REQUESTED  
7000 1530 0003 7687 0957

Murchison Oil & Gas, Inc.  
1100 Mira Vista Blvd  
Plano, TX 75093-4698

### NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER

Gentlemen:

An inspection was performed on Federal lease NMNM 103868, Windmill Federal Com #1, API No.: 30-005-63338 1310' FSL & 1310' FWL, SW ¼ SW¼ Section 28, T. 15 S. R. 28 E. Chaves County, New Mexico, on September 22, 2008, by Randy Legler, Natural Resource Specialist. It was found that reclamation has not been accomplished in a manner designed to protect the mineral resources, other natural resources, and environmental quality (43 CFR 3162.5).

### ORDERS OF THE AUTHORIZED OFFICER

Pursuant to Federal Regulation 43 CFR 3162.5-1(b) which states "... Upon the conclusion of operations, the operator shall reclaim the disturbed surface in a manner approved or reasonably prescribed by the authorized officer ..." the following environmental compliance problems were identified during the latest inspection of the subject location. Specifically:

- **Environmental Problem No. 1:** Pit area revegetation is not satisfactory.

**Corrective Action:** Cap the pit area of the Windmill Federal Com #1 location as required in Enclosure 2, Pecos District Drilling Pit Reclamation Procedure.

- **Environmental Problem No. 2:** Pad revegetation is not satisfactory.

**Corrective Action:** Reclaim the pad. Remove the pad surfacing and sterile soils down to the original underlying soil horizon. Recontour the location as needed to blend with the surrounding

contours. Construct a linear vehicle barricade berm between this roadside pad and the lease road to protect the pad reclamation.

Reseed the reclaimed areas of the Windmill Federal Com #1 location with BLM's Desired Plant Community seed mixture for this location specified in Enclosure 3.

Keep all reclamation work within the archaeological survey area of record for the Windmill Federal Com #1 roadside location. The survey of record documents a 400' X 400' survey area with the well bore at the center of the surveyed area, see Enclosure 1.

Submit a Final Abandonment Notice (FAN) on Form 3160-5 (Sundry Notice and Reports on Wells) stating surface restoration is complete and ready for inspection when the above required actions have been accomplished, an original and 5 copies are required. Your liability under bond is retained until surface reclamation is complete and approved by the Authorized Officer.

In accordance with 43 CFR 3163.1(a), please comply with the above corrective action(s) for the identified environmental problems no later than **30 days** after receipt of this Written Order. If you fail to comply within the time frames specified, you will be subject to further enforcement action as may be deemed necessary.

### **WARNING**

Orders of the Authorized Officer or Incidents of Non Compliance and reporting time frames begin upon receipt of the Notice or 7 business days after the date it is mailed, whichever is earlier. Each problem or violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above.

For Incidents of Non Compliance, please note that you already may have been assessed for noncompliance (see amount under "Assessed for Noncompliance"). If you do not comply as noted above under "Corrective Action to Be Completed By," you may incur additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Note: Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.


### **REVIEW AND APPEAL RIGHTS**

A person contesting an order of the authorized office or violation must request a State Director Review of the Order or Incident of Noncompliance. This request must be filed within 20 working days of receipt of the Order or Incident of Noncompliance with the appropriate State Director at

PO Box 27115, Santa Fe, NM 87502-0115 (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, MS 300-QC, Arlington, Virginia 22203 (see 43CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

If you have any questions concerning our Written Orders for the Windmill Federal Com #1 location, please contact Randy Legler, Natural Resource Specialist at the Roswell Field Office at 575-627-0215.

Sincerely,



Angel Mayes  
Assistant Field Manager,  
Lands and Minerals

3 Enclosures

1-Archaeological Survey Limits (1p)

2-Pecos District Drilling Pit Reclamation Procedure (1p)

3-Pecos District Desired Plant Community seed mixture for the Windmill Federal Com #1 location (1p)

Enclosure 1

Archaeological Survey Limits

For your information the archaeological survey of record for the Windmill Federal Com #1 location documents a 400' X 400' survey area with the well bore at the center of the surveyed area. If the previously surveyed area is not large enough to provide a remediation and reclamation work area an additional archaeological survey to current BLM standards of the additional work surface needed is required and must be approved by BLM in writing before surface disturbance occurs.

## Enclosure 2

### Pecos District Drilling Pit Reclamation Procedure

- Use the following procedure to cap the barren pit area of the Windmill Federal Com #1 location.
- Remove any woody vegetation or sharp objects that could rupture the liner.
- Cap the drilling pit area with a 20 mil plastic liner.
- Bury the outer edges of the plastic liner cap inside a one foot deep trench to prevent lateral movement of contents and/or lateral wicking of drilling chemicals.
- Cover the plastic liner cap with clean caliche or other clean soils that are available on location. This soil cap or stabilization layer must be adequate to stabilize the location if topsoil loss occurs due to wind or water erosion. A minimum thickness of 1.5-2 feet of material is required.
- Cap the stabilization layer with 1-1.5 feet of soils similar to the surrounding soils. Contour the pit capping layer to resemble the surrounding topography and avoid water ponding above the capped pit.

Enclosure 3

Desired Plant Community Seed Mixture

Seed the Windmill Federal Com #1 location with the Pecos District Desired Plant Community seed mixture for the Gyp Upland SD-3 Ecological Site (dated April 4, 2006):

Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Blue grama,	( <i>Bouteloua gracilis</i> )	1.0
Sand dropseed	( <i>Sporobolus cryptandrus</i> )	1.0
Plains bristlegrass	( <i>Setaria macrostachya</i> )	1.0
Alkali sacaton	( <i>Sporobolus airoides</i> )	3.0
Buckwheat	( <i>Eriogonum fasciculatum</i> )	1.0
Four-wing saltbush	( <i>Atriplex canescens</i> )	1.0
Desert or Scarlet Globemallow	( <i>Sphaeralcea ambigua</i> ) or ( <i>S. coccinea</i> )	<u>1.0</u>
TOTAL POUNDS PURE LIVE SEED PER ACRE		9.00

If one species is not available increase ALL others proportionately. Use no less than 4 species, including one forb. Use no less than 9.00 pounds pure live seed per acre.

APPROVED: /s Douglas J. Burger  
District Manager, Pecos District

Use a certified noxious weed free seed mixture. Use seed tested for viability and purity in accordance with State law(s) within nine months prior to purchase. Use a commercial seed mixture certified or registered and tagged in accordance with State law(s). Make the seed mixture labels available for BLM inspection.

Contact Randy Legler, Natural Resource Specialist of the Roswell Field Office at 575 - 627 - 0215 at least three (3) working days before seeding and if you have questions.