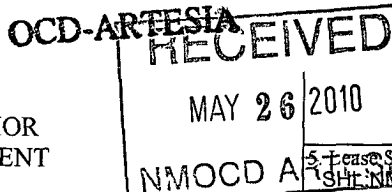


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease, Serial No.
SHE:NM NM 114347 BHL:NM NM 1203496. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
CARBON VALLEY 26 FED COM #1H

2. Name of Operator

MURCHISON OIL & GAS, INC.

9. API Well No.
30-015-37683

3a. Address

1100 MIRA VISTA BLVD.
PLANO, TX 75093-4698

3b. Phone No. (include area code)

972-931-0700

10. Field and Pool or Exploratory Area
DOG CANYON; WOLFCAMP

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

SL: 1980' FSL & 250' FEL, UNIT I, SEC. 26, T16S, R27E

11. Country 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			
<input 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 checked="" 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 Run 7" Casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

Run 7" casing as follows:

1	2-7/8" Bull Nose Shoe	1'
5 Jts.	2-7/8" 6.5# L-80 tbg	159'
18 Jts.	2-7/8" 1.27# SP8- 2K Fiberglass tbg	525'
1	Aluminum XO 2-7/8" EUE x 7" LTC	1'
1	7" Collar HCP-110	1'
1	Float Collar	1'
1 Jt.	7" 26# HCP-110	44'
1	Float Collar	1'
131 Jts.	7" 26# HCP-110	5639'
TOTAL		6372'

ACCEPTED FOR RECORD

MAY 22 2010

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Set casing at 6365'. Cement - Lead w/ 770 SXS Econochem-HLC w/ 3% salt + 5 PPS Gilsonite mixed @ 12.9 PPG, 1.83 yield, 9.22 GPS water. Tail w/ 620 SXS HalCem-H + 0.8% CFR-3 mixed @ 17 PPG, 1.00 yield, 3.9 GPS water. Plug down. Circ 173 SXS to catch tank. Nipple up BOP & test to 250 psi low & 5000 psi high. Held OK. WOC total of 23.5 hrs. Trip in hole with 6-1/8" bit and drill cement, float collars, alum XO & 130' cement & fiber glass tubing from 5629' - 5762'.

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

A. Arnold Nall

Title Vice President Operations

Signature

A. Arnold Nall by cxc

Date 05/14/2010

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)