

MURCHISON OIL & GAS, INC.
MURCHISON PROPERTIES, INC.

## VIA CERTIFIED MAIL

March 15, 2006

Mr. Bryan Arrant
State of New Mexico
Oil Conservation Division
District II
1301 W. Grand Avenue
Artesia, New Mexico 88210-2834

MAR 2 0 2006 OCU-ARTESIA

RE: PENASCO STATE COM #2 SEC. 30, T18S, R25E EDDY COUNTY, NM.

30-015-34706

Dear Mr. Arrant:

Please find attached the following:

- 1) Form C-102 (Loc. Plat)
- 2) Form C-144 Original + 6 copies
- 3) Mud Program
- 4) Letter to OCD regarding H2S contingency plan

Please note that Form C-101 (APD) will be submitted online in a few days.

If you have any questions please call me.

Michael S. Daugherty et

Very truly yours,

**MURCHISON OIL & GAS, INC.** 

Carla Tracy

Ct/PenascoSC#2-C101&102etc

Encl.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210

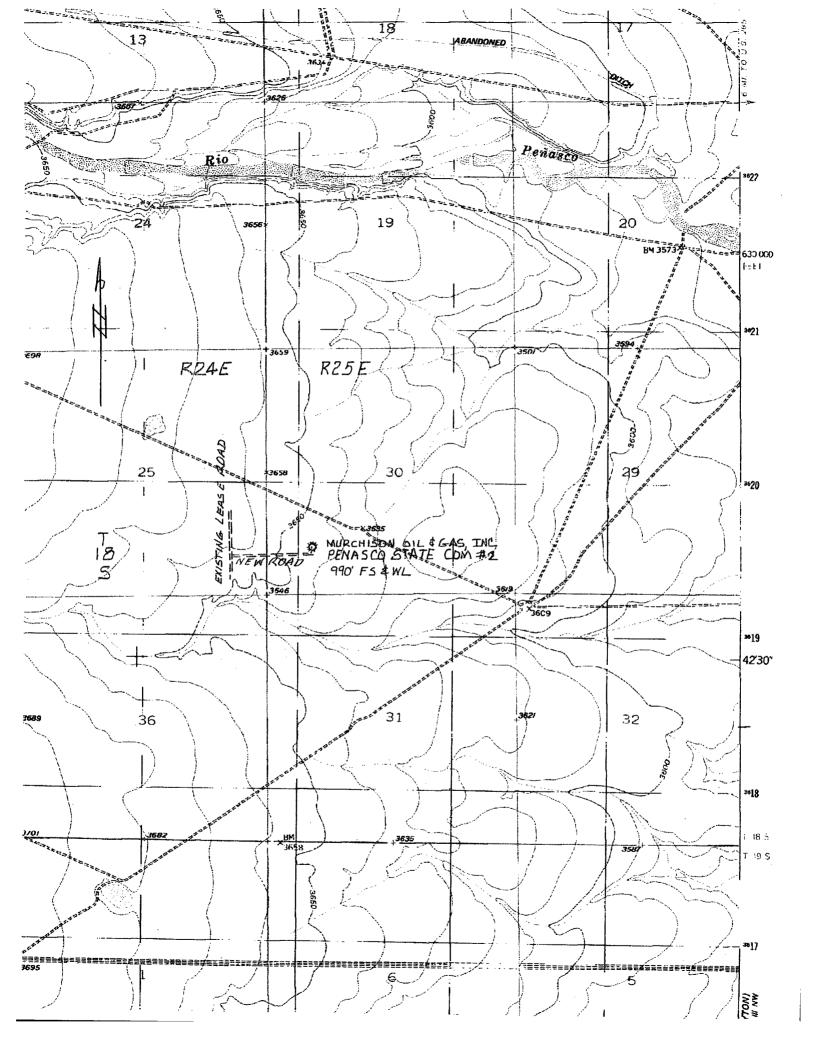
1301 W. Grand Avenue, Artesia, NM 88216 District III

1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies

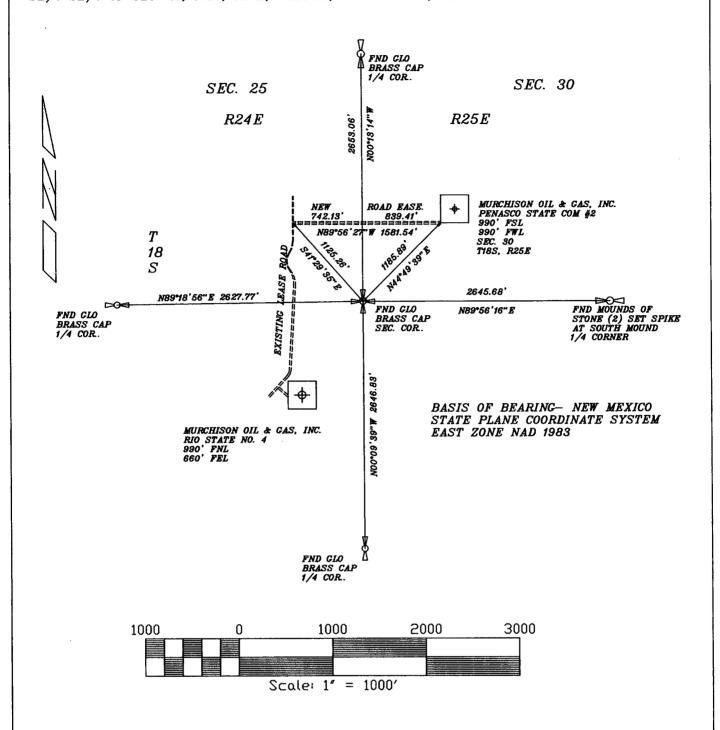
Fee Lease - 3 Copies

Fe, NM 87505	i							AM	ENDED REPORT	
	VELL LO			EAGE DEDI	CATIC					
		P	<del>-</del> :					6	Well Number	
<sup>7</sup> OGRID № 015363				Operator Name  #URCHISON OIL AND GAS, INC.				'Elevation 3644		
<u></u>			<sup>10</sup> Surface	Location						
Township 18-S	Range 25-E	Lot ldn	Feet from the 990	North/South line SOUTH	1			-	County	
<u> </u>	11 B	ottom H	ole Location I	f Different Fro	om Sur	face			<del>1</del>	
Township	Range	Lot Idn	Feet from the	North/South line			East/West lin	e	County	
or Infill	Consolidation	Code 15	Order No.		<u> </u>					
ssigned to t	his comple	tion until	all interests have	been consolidate	d or a no	n-standa	rd unit has	been a	pproved by the	
-			MAR	2 0 2006		I hereby certification to the best of a course a workin location or had contract with a pooling agree, the division.  MICHA Printed Name	by that the information who when the information on the last an armen of such a compute the last an armen or a compute the last and the last and last an armen or a compute the last and last an armen or a compute the last and last an armen or a compute the last and last an armen or a compute the last and last an armen or a compute the last and last an armen a	tion contain belief, and mand including well at the working is working is DAUGI	ned herein is true and complete if that this organization either my the proposed bottom hole his location pursuant to a miterest, or to a voluntary g grider heretofare entered by  Date  HERTY	
		-	SPACINA	UNIT	<b>-&gt;</b>	plat was p made by n same is tru FEBRU. Date of Sur Signature at	ertify that the elotted from fine or under mue and correct ARV 20, 20  ARV 20, 20  Seal of Profession Seal o	well lo	cation shown on this is of actual surveys vision, and that the best of my belief.	
	Township 18-S Township or Infill	Township Range 18-S 25-E  Township Range or Infill Consolidation	WELL LOCATION  POOL CO 82770  P MUR  Township Range Lot Idn  18-S 25-E  11 Bottom H Township Range Lot Idn  or Infill 14 Consolidation Code 15	WELL LOCATION AND ACR  **Pool Code** 82770  **Property* PENASCO ST  **Operator* MURCHISON OID  **Surface*  Township Range Lot Idn Feet from the 990  **It Bottom Hole Location I Township Range Lot Idn Feet from the 1 Township Range Ran	WELL LOCATION AND ACREAGE DEDICET Township Range Lot Idn Feet from the North/South line Stigned to this completion until all interests have been consolidate RECEIVED MAR 2 0 2006	WELL LOCATION AND ACREAGE DEDICATION  Poperator Name  PENASCO STATE COM  Operator Name  MURCHISON OIL AND GAS, INC.  Surface Location  Township Range Let Idn Feet from the SOUTH 990  Township Range Let Idn Feet from the North/South line Feet from t	WELL LOCATION AND ACREAGE DEDICATION PLA  Per	WELL LOCATION AND ACREAGE DEDICATION PLAT  Pool Cade  Projector Name  PENASCO STATE COM  *Operator Name  MURCHISON OIL AND GAS, INC.  10 Surface Location  Township Range Let Idn Feet from the SOUTH 990 East/West In SOUTH 990 WES  11 Bottom Hole Location If Different From Surface  Township Range Let Idn Feet from the North/South line Feet from the East/West line or Infill "Consolidation Code "Order No.  Stigned to this completion until all interests have been consolidated or a non-standard unit has be been for higher and the information to the test of up browledge and none available and the formation of the aright to drill a context with moment of mach profits generate or a complete in the formation of the aright to drill a context with moment of mach profits generate or a complete in the formation of the aright to drill a context with moment of mach profits generate or a complete in the formation of the aright to drill a context with moment of mach profits generate a complete in the drill and context with moment of mach profits generate a complete in the drill and context with moment of mach profits generate a complete from finance by me or under in same is true and correct FEBRUARY 20, 200  SPACINA UNIT	WELL LOCATION AND ACREAGE DEDICATION PLAT  or 1 Pool Code 82770 PENASCO DRAW MORROW (GAS)  1 Property Name PENASCO STATE COM  1 Operator Name MURCHISON OIL AND GAS, INC.  10 Surface Location  Township Range Lot Idn Feet from the 990 WEST  11 Bottom Hole Location If Different From Surface  Township Range Lot Idn Feet from the North/South line Feet from the East/West line  990 SOUTH 990 WEST  11 Bottom Hole Location If Different From Surface  Township Range Lot Idn Feet from the North/South line Feet from the East/West line  12 Order No.  Signed to this completion until all interests have been consolidated or a non-standard unit has been a single state of any township and loid, an one a working interest in the land include to the divinger.  MAR 2 0 2006  MAR 2 0 2006  MAR 2 0 2006  MAR 2 0 2006  MICHAEL S. DAUG  Printed Name  SPACINA UNIT  18 SURVEYOR CER I hereby certify that the well to plat was plotted from field note made by me or under my super same is true and correct to the FEBRUARY 20, 2006  SPACINA UNIT	



## ROAD EASEMENT PLAT

A 30 FOOT ROAD EASEMENT LOCATED IN THE SW/4 SW/4 OF SEC. 30, T18S, R25E, AND THE SE/4 SE/4 OF SEC. 25, T18S, R24E, N.M.P.M., EDDY COUNTY, NEW MEXICO.



DESCRIPTION: YATES PETROLEUM CORPORATION (34/620) — OWNER
A 30 FOOT ROAD EASEMENT LOCATED IN THE SW/4 SW/4 OF SEC. 30, T18S, R25E, AND THE
SE/4 SE/4 OF SEC. 25, T18S, R24E, N.M.P.M., EDDY COUNTY, NEW MEXICO BEING 15 FEET LEFT
AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE; COMMENCING AT THE SW CORNER OF SAID
SECTION 30; THENCE N44°49'39" E A DISTANCE OF 1185.89 FEET TO THE POINT OF BEGINNING
OF THE CENTERLINE HEREIN DESCRIBED; THENCE N89°56'27"W A DISTANCE OF 839.41 FEET
TO THE WEST LINE OF SAID SECTION 30; THENCE CONTINUING N89°56'27"W A DISTANCE OF 742.13
FEET TO A POINT ON AN EXISTING LEASE ROAD, WHENCE THE SE CORNER OF SAID SECTION 25
BEARS S41°29'35"E A DISTANCE OF 1125.26 FEET. CONTAINING 1.09 ACRES MORE OR LESS.
1581.54' = 95.85 RODS

CERTIFICATION OF RESPONSIBLE SURVEYOR:
THIS IS TO CERTIFY THAT THE FOREGOING PLAT WAS MADE FROM FIELD NOTES OF A BONA FIDE SURVEY, MADE BY ME, MEETING THE MINIMUM STANDARDS FOR SURVEY BYING IN NEW MEXICO, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELLEE.

REGISTERED

SURVEYOR

PROFESSIONAL

ENCINE,

Redolu an DAN R. REDDY NM PE&PS NO. 5412 401 W. GREENE ST./P.O. BOX 597

CARLSBAD, NM 88221-0597
505 887-6483
SURVEYED: 2/20/06
PREPARED FOR: MURCHISON OIL & GAS, INC.

## MURCHISON OIL & GAS, INC.

PENASCO STATE #2 SEC. 30, T18S, R25E 990' FSL & 990' FWL EDDY CO., NM. MAR 2,0 2006

## **MUD PROGRAM**

<u>DEPTH</u>	<b>WEIGHT</b>	<u>CHLORIDES</u>	VISCOSITY	<b>FILTRATE</b>
0' – 360'	8.4	0 – 10K	32 – 36	NO CONTROL
360' - 1,150'	8.4	0 – 10K	28 – 29	NO CONTROL
1,150' — 5,200'	8.4 – 8.8	0 – 40K	28 – 29	NO CONTROL
5,200' - 8,000'	8.6 – 9.2	40 – 60K	28 – 29	25 WL
8,000' — 9,000'	8.8 - 9.4	50 – 70K	38 – 48	6 – 8 WL

PH to be maintained at 10 or above



MURCHISON OIL & GAS, INC.
MURCHISON PROPERTIES, INC.

March 15, 2006

Mr. Bryan Arrant State of New Mexico Oil Conservation Commission 1301 W. Grand Avenue Artesia, New Mexico 88210 MAR 2 0 2006

RE:

PENASCO ST #2 990' FSL & 990' FWL SEC. 30, T18S, R25E EDDY CO., NM.

Dear Bryan:

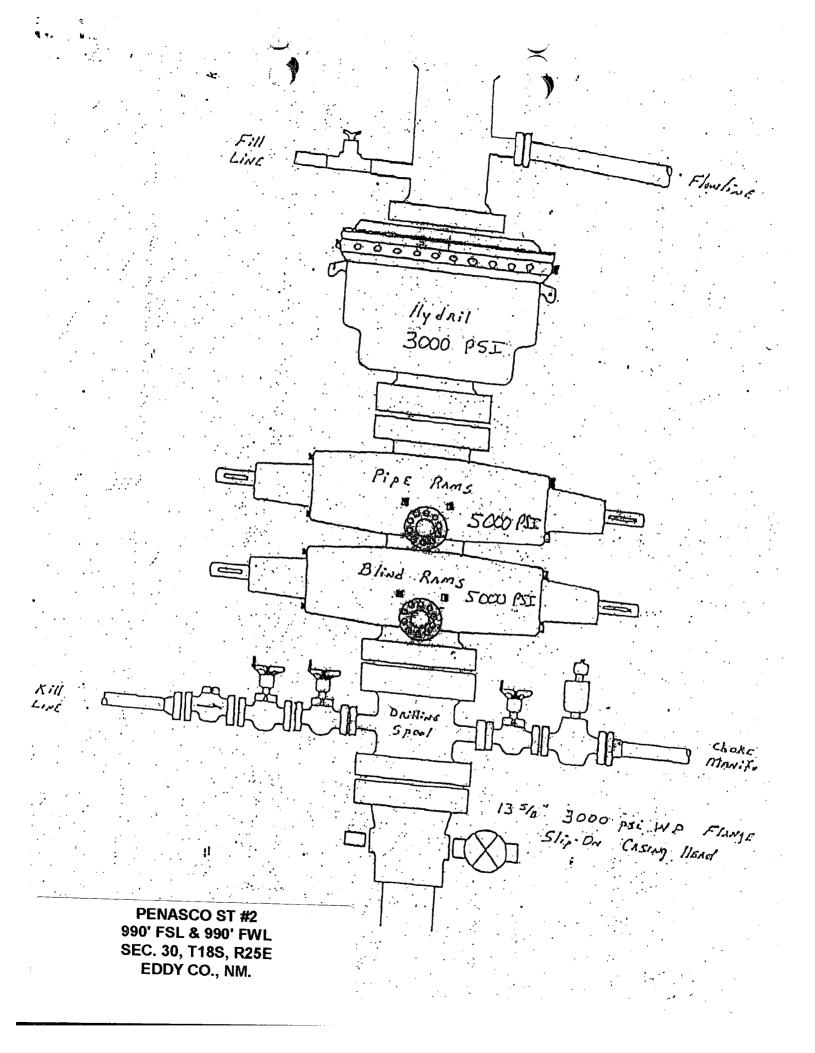
This letter is in reference to the OCD's requirements for H2S contingency plan for the above captioned well. No H2S is expected in the drilling of the above captioned well. H2S detection equipment will be installed prior to the top of the Delaware formation as a precautionary measure.

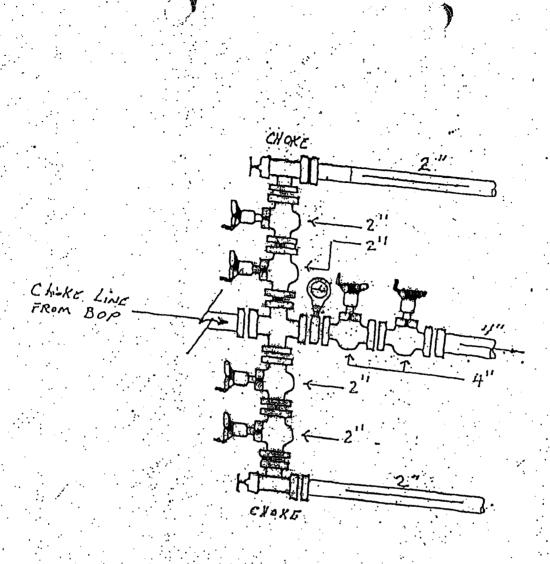
Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty / Vice President Operations

MSD/ct/PenascoSt#2-OCDH2S





PENASCO ST #2 990' FSL & 990' FWL SEC. 30, T18S, R25E EDDY CO., NM.