

MURCHISON OIL & GAS. INC.

MURCHISON PROPERTIES, INC.

VIA CERTIFIED MAIL

March 16, 2006

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

RECEIVED

MAR 2,0 2006 Juju-am l'Esia

RE: FOUR MILE DRAW ST#1 SEC. 35, T18S, R24E

EDDY COUNTY, NM. 30 - 015 - 34746

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.

Very truly yours,

MURCHISON OIL & GAS, INC.

Carla Tracy

Ct/FourMileDrSt#1-C101&102etc

Encl.

District 1

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Form C-102 Revised June 10, 2003

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

Santa Fe, NM 87505 ☐ AMENDED REPORT 1220 S. St. Francis Dr., Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT ² Pool Code ¹ API Number 82770 PENASCO DRAW MORROW (GAS) ⁵ Property Name ⁶ Well Number ⁴ Property Code FOUR MILE DRAW STATE 1 8 Operator Name Elevation 7 OGRID No. MURCHISON OIL AND GAS, INC. 3712 015363 ¹⁰ Surface Location UL or lot no. Section Township Lot Idn Feet from the Feet from the East/West line County Range 1980 **SOUTH EDDY 35** 24-E 660 WEST \mathbf{L} 18-S 11 Bottom Hole Location If Different From Surface UL or lot no. Range Feet from the North/South line Feet from the East/West line Section Township County 12 Dedicated Acre 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. 16 OPERATOR CERTIFICATION ereby certify that the information contained herein is true and complete the best of my knowledge and belief, and that this organization either **SECEIVED** ing interest in the land including the proposed bottom hole or has a right to drill this well at this location pursuant to a MAR 2 0 2006 ith an owner of such a working interest, or to a voluntary しょみれてほりい MICHAEL S. DAUGHERTY **LAT N32,70312** ¹⁸SURVEYOR CERTIFICATION LON W104.56537 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys 660 SPACING UNIT made by me or under my supervision, and that the same is true and correct to the best of my belief.

MURCHISON OIL & GAS, INC.

FOUR MILE DRAW ST #1 SEC. 35, T18S, R24E 1980' FSL & 660' FWL EDDY CO., NM.

MAR 2,0 2006 OCU-ARTTEONA

MUD PROGRAM

<u>DEPTH</u>	<u>WEIGHT</u>	<u>CHLORIDES</u>	VISCOSITY	<u>FILTRATE</u>
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

Submitted with Fm. C-101 & C-102



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March 16, 2006

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

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RE: FOUR MILE DRAW ST #1

1980' FSL & 660' FWL SEC. 35, T18S, R24E 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.

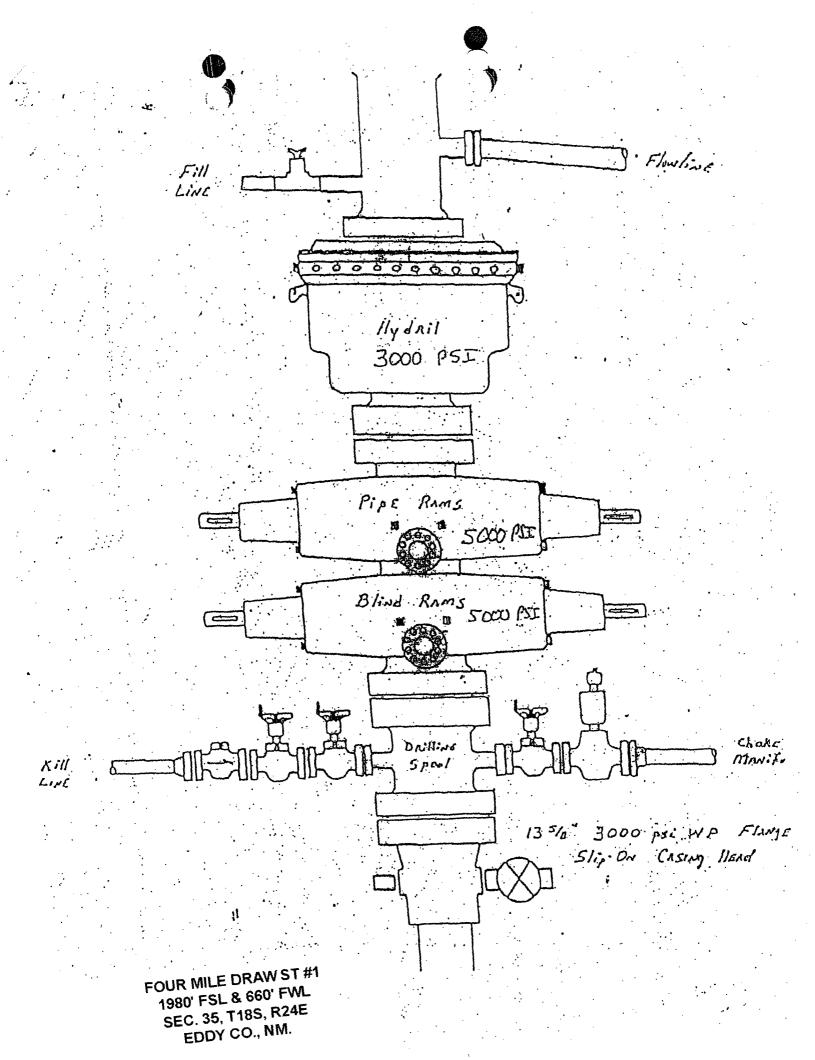
Very truly yours,

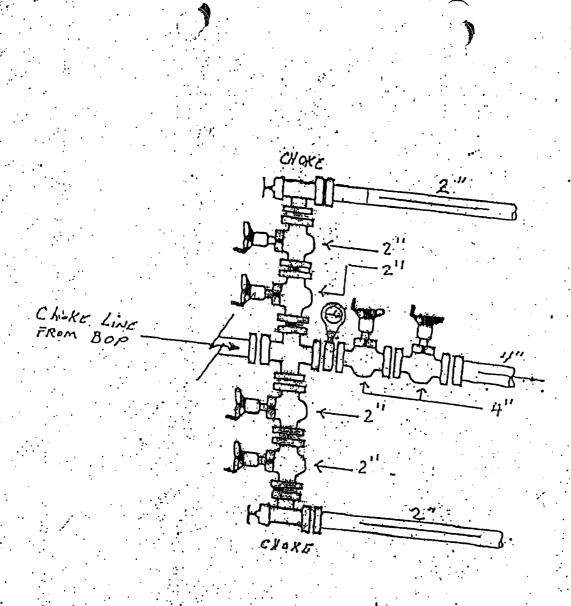
MURCHISON OIL & GAS, INC.

Michael S. Daugherty

Vice President Operations

MSD/ct/FourMileDrawSt#1-OCDH2S





FOUR MILE DRAW ST #1 1980' FSL & 660' FWL SEC. 35, T18S, R24E EDDY CO., NM.