



VIA FEDERAL EXPRESS

July 7, 2006

30 - 015 - 35175

RECEIVED

JUL 10 2006

OCD-ARTESIA

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

**RE: DAINWOOD #1
EDDY COUNTY, NM.**

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.

If you have any questions please call me.

Very truly yours,

MURCHISON OIL & GAS, INC.

Michael S. Daugherty
Vice President Operations

MSD/ct/Dainwood#1-C102etc

Encl.

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION RECEIVED Subn

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED Submit to Appropriate District Office

Revised June 10, 2003

State Lease - 4 Copies

Fee Lease - 3 Copies

JUL 10 2006

COORDINATION

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name WILDCAT WOLFCAMP
⁴ Property Code	⁵ Property Name DAINWOOD DRAW	
⁷ OGRID No. 015363	⁸ Operator Name MURCHISON OIL & GAS, INC.	⁶ Well Number 1 ⁹ Elevation 4034

10 Surface Location

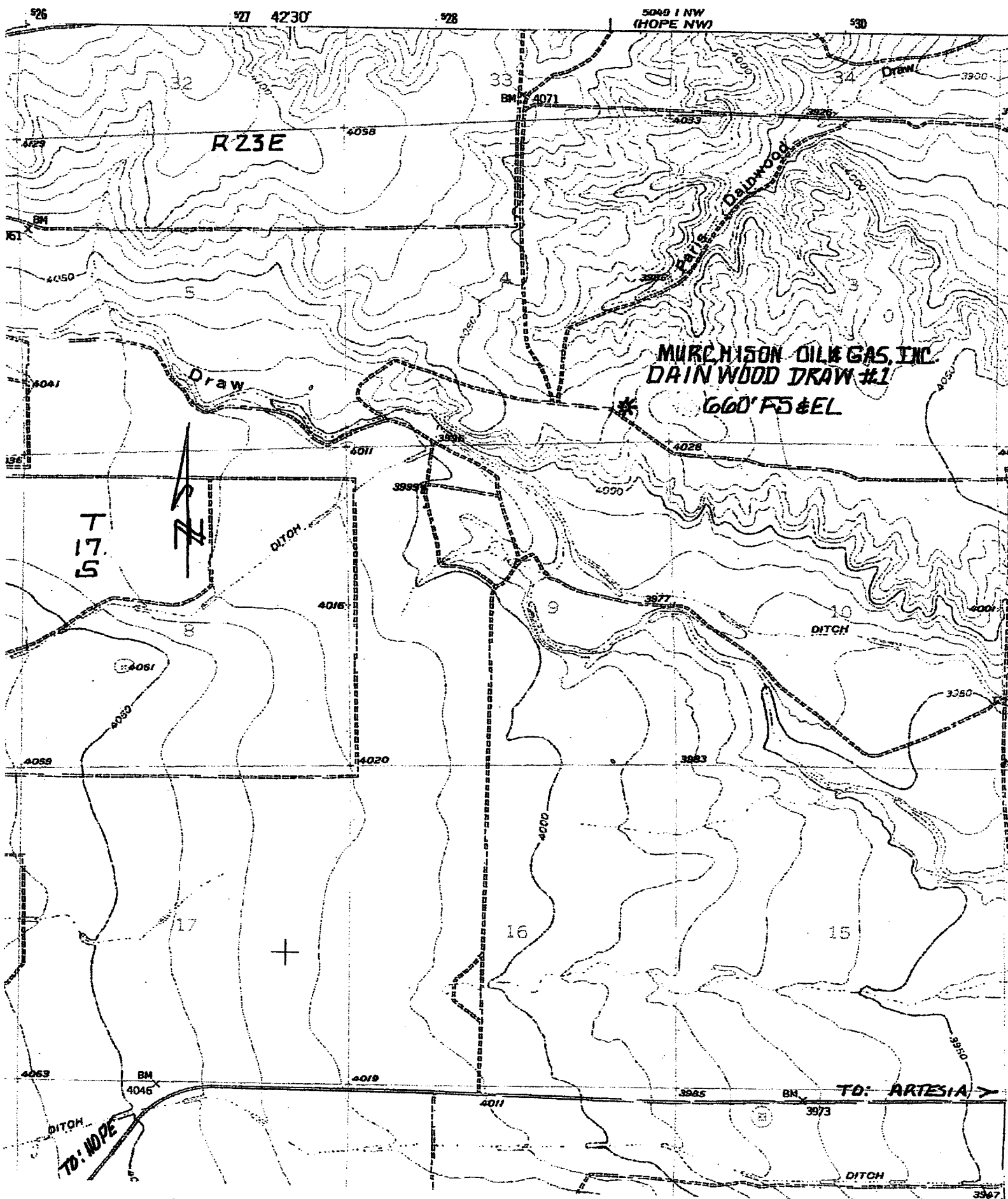
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	17-S	23-E		660	SOUTH	660	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	4	17-S	23-E		760	NORTH	760	EAST	EDDY
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.

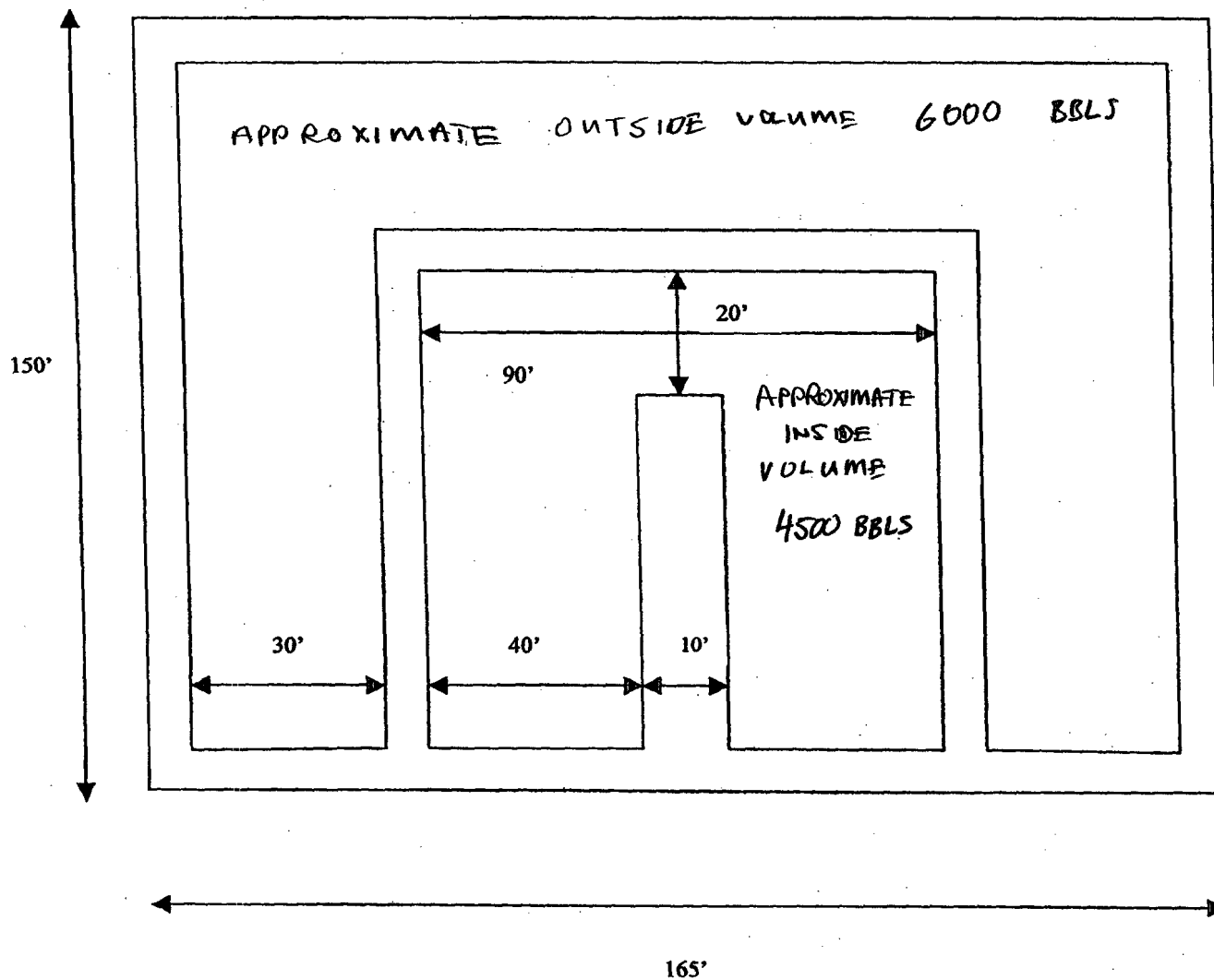
16	BHL 760' FNL 760' FEL	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature 6/23/2006 Date
	SPACING UNIT	Signature 6/23/2006 Date MICHAEL S. DAUGHERTY Printed Name
		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MAY 23, 2006 Date of Survey
	LAT N 32.85855 LON W 104.69118 SURFACE LOCATION 660'	Signature and Seal of Professional Surveyor. 5412 Certificate Number DAN R. REDDY, N.M. PROFESSIONAL SURVEYOR NO. 5412

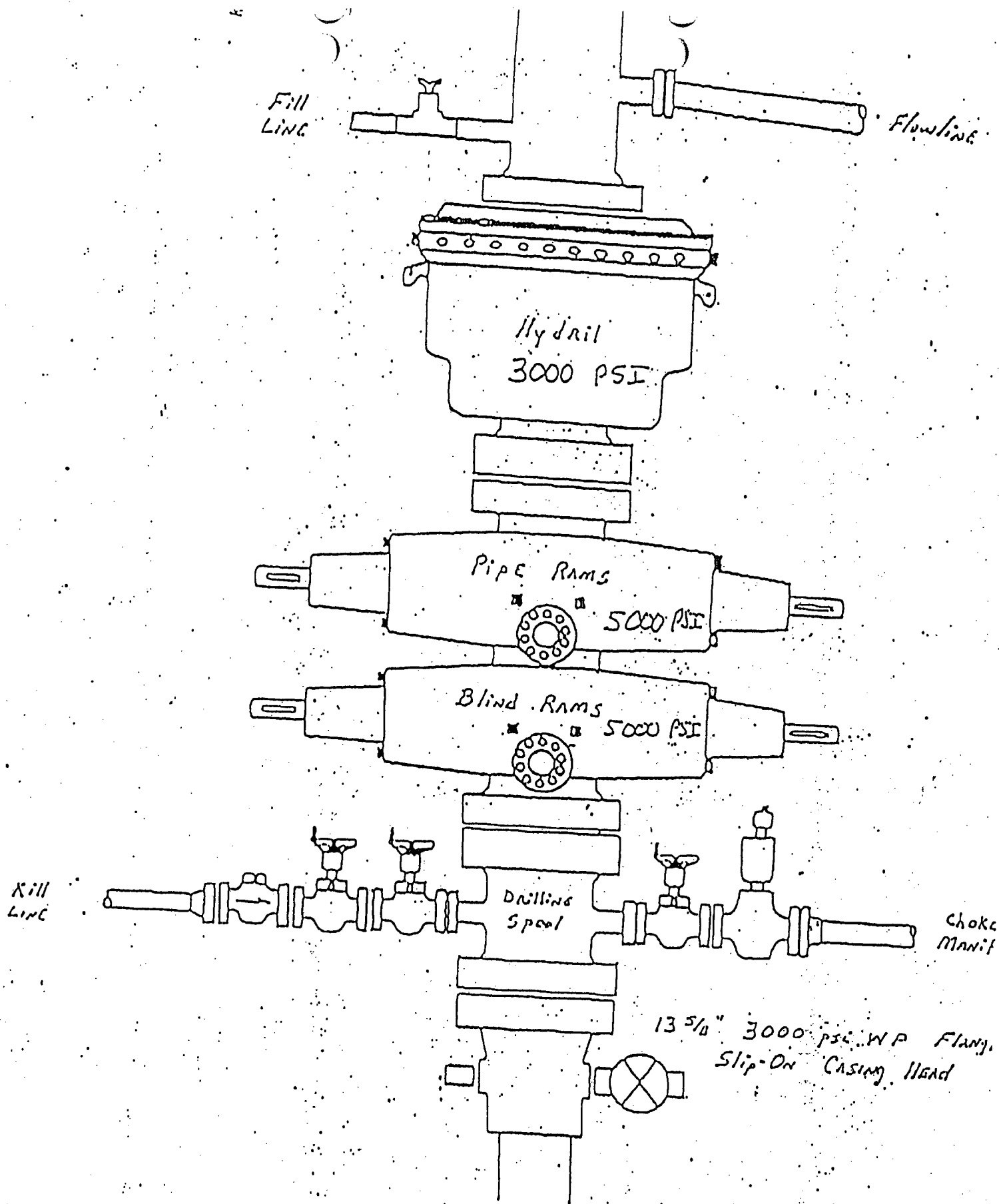


MURCHISON OIL & GAS, INC.
DAINWOOD DRAW #1
SEC. 4, T17S, R23E
SURFACE LOC.: 660' FSL & 660' FEL
BOTTOM HOLE LOC.: 760' FNL & 760' FEL
EDDY CO., NM.

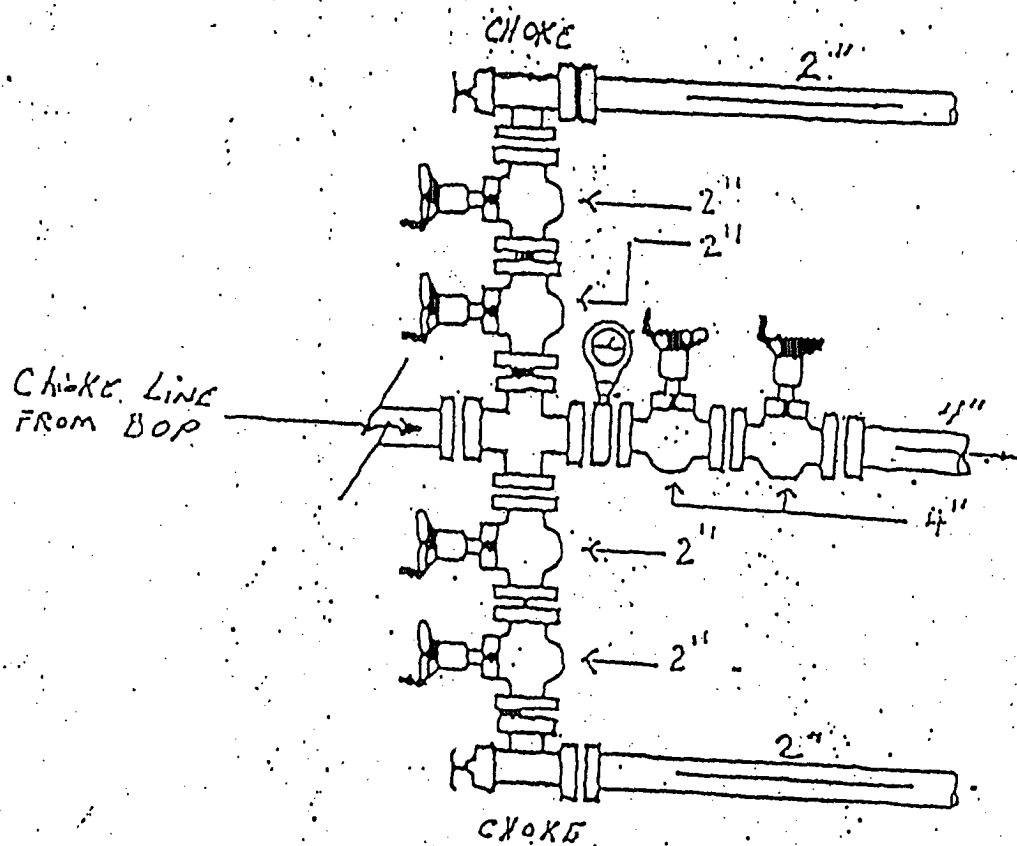
ATTACHMENT TO SUNDRY NOTICE
PROPOSED LOCATION

RESERVE PIT DESIGN





MURCHISON OIL & GAS, INC.
 DAINWOOD DRAW #1
 SURFACE LOC.: 660' FSL & 660' FEL
 BOTTOM HOLE LOC.: 760' FNL & 760' FEL
 SEC. 4, T17S, R23E
 EDDY CO., NM.

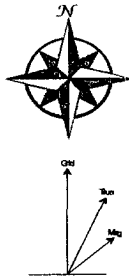


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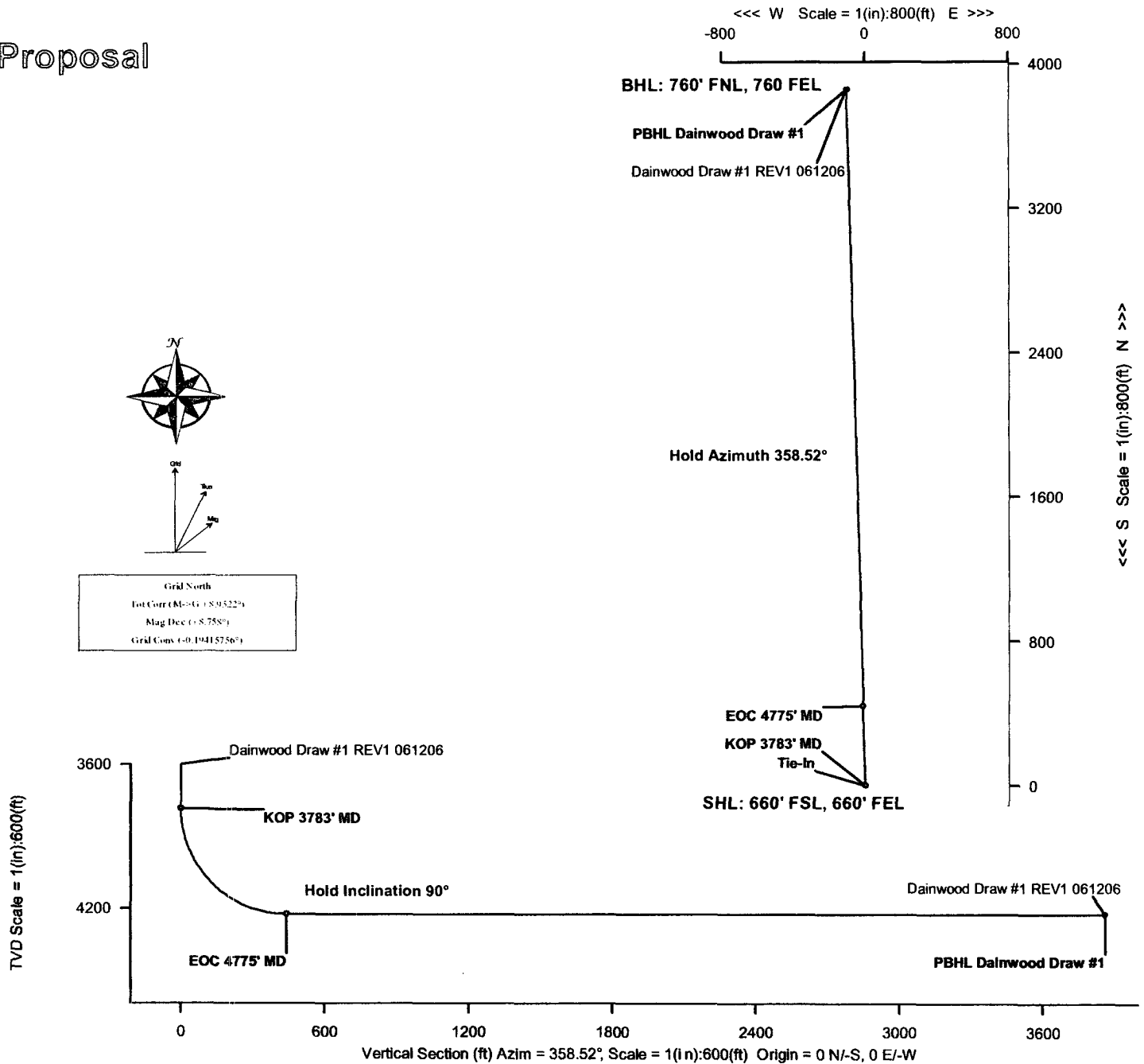
WELL Dainwood Draw #1	FIELD Eddy County, New Mexico	STRUCTURE Sec. 4, T17S & R23E
Magnetic Parameters Model: BGM 2004 Cpr: 80.751° Mag Dec: +8.756°	Surface Location Lat: N22 51 20.780 Lon: W104 41 26.248 Northing: 678237.98 US Easting: 389115.19 US Grid Conv: -0.10416750° Scale Fact: 0.9999229182	Miscellaneous Stat: Dainwood Draw #1 Plan: Dainwood Draw #1 REV1 061206 TVD Ref: KB (4624.00 ft above MSL) Date: June 12, 2006

Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	358.52	0.00	0.00	0.00	0.00	
KOP 3783' MD	3783.26	0.00	358.52	3783.26	0.00	0.00	0.00	0.00
EOC 4775' MD	4475.57	90.00	358.52	4224.00	440.74	440.59	-11.41	13.00
PBHL Dainwood Draw #1	7896.13	90.00	358.52	4224.00	3861.30	3860.00	-100.00	0.00

Proposal



Grid North
 Tot Corr (M) = 8.9522°
 Mag Dec = 8.758°
 Grid Conv = 0.19415756°



Dainwood Draw #1 REV1 061206 Proposal

Report Date: June 12, 2006 Client: Murchinson Oil & Gas Field: Eddy County, New Mexico Structure / Slot: Murchinson, Sec. 4, T17S & R23E / Dainwood Draw #1 Well: Dainwood Draw #1 Borehole: Original Hole UWI/API#: Survey Name / Date: Dainwood Draw #1 REV1 061206 / June 12, 2006 Tort / AHD / DDI / ERD ratio: 90.000° / 3861.30 ft / 5.813 / 0.914 Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 51 30.780, W 104 41 28.248 Location Grid N/E YX: N 676237.961 ftUS, E 390115.186 ftUS Grid Convergence Angle: -0.19415756° Grid Scale Factor: 0.99992292	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 358.520° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: KB TVD Reference Elevation: 4034.0 ft relative to MSL Sea Bed / Ground Level Elevation: 4034.000 ft relative to MSL Magnetic Declination: 8.758° Total Field Strength: 48395.313 nT Magnetic Dip: 60.701° Declination Date: June 12, 2006 Magnetic Declination Model: BGGM 2004 North Reference: Grid North Total Corr Mag North -> Grid North: +8.952° Local Coordinates Referenced To: Well Head
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Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	0.00	0.00	358.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.48M
KOP 3783' MD	3783.26	0.00	358.52	3783.26	0.00	0.00	0.00	0.00	0.00	0.00	-1.48M
EOC 4775' MD	4475.57	90.00	358.52	4224.00	440.74	440.59	-11.41	440.74	358.52	13.00	0.00G
PBHL Dainwood Draw #1	7896.13	90.00	358.52	4224.00	3861.30	3860.00	-100.00	3861.30	358.52	0.00	0.00G

Survey Type: Non-Def Proposal

Survey Error Model: SLB ISCWSA version 24 *** 3-D 95.00% Confidence 2.7955 sigma

Surveying Prog:

MD From (ft)

0.00

MD To (ft) **EOU Freq** **Survey Tool Type**

7896.13

1/100.00 SLB_UNKNOWN (default tool used)

Borehole -> Survey

Original Hole -> Dainwood Draw #1 REV1 061206