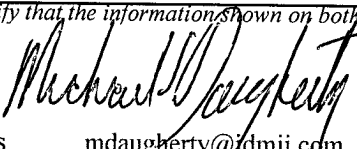


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-105 Revised June 10, 2003	
		<div style="border: 1px solid black; padding: 2px; display: inline-block;"> RECEIVED APR 07 2008 HOBBS OGD </div>			
WELL COMPLETION OR RECOMPLETION REPORT AND LOG				WELL API NO. 30-025-38605	
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER				5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. V-7612	
2. Name of Operator MURCHISON OIL & GAS, INC.				7. Lease Name or Unit Agreement Name HIGHTOWER STATE UNIT	
3. Address of Operator 1100 MIRA VISTA BLVD., PLANO, TX. 75093-4698				8. Well No. 2	
4. Well Location Unit Letter <u>J</u> : <u>2080</u> Feet From The <u>SOUTH</u> Line and <u>1625</u> Feet From The <u>EAST</u> Line Section <u>27</u> Township <u>12S</u> Range <u>33E</u> NMPM County <u>LEA</u>				9 Pool name or Wildcat HIGHTOWER, PERMO PENN	
10. Date Spudded 1/27/2008		11. Date T.D. Reached 3/9/2008		12. Date Compl. (Ready to Prod.) 3/25/2008	
13. Elevations (DF& RKB, RT, GR, etc.) GL 4251' RKB 4268'		14. Elev Casinghead		15. Total Depth 10,395'	
16. Plug Back T.D. 10,340'		17. If Multiple Compl. How Many Zones? N/A		18. Intervals Drilled By ALL	
19. Producing Interval(s), of this completion - Top, Bottom, Name 9450 - 9558 PERMO PENN				20. Was Directional Survey Made NO	
21. Type Electric and Other Logs Run COMPENSATED NEUTRON DENSITY GR, DUAL LATEROLOG				22. Was Well Cored SIDEWALL CORES	
23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	54.5	370	17-1/2	390	
9-5/8	40	3815	12-1/4	1400	
5-1/2	17	10395	8-3/4	2035	
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD			SIZE	DEPTH SET	PACKER SET
			2-7/8	9350	9350
26. Perforation record (interval, size, and number) 9450 - 9458 9548 - 9558			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 9458 - 9558 2500 GAL 15% HCL		
28. PRODUCTION					
Date First Production 3/27/2008		Production Method (Flowing, gas lift, pumping - Size and type pump) SWABBING		Well Status (Prod. or Shut-in) SHUT-IN	
Date of Test 3/27/2008	Hours Tested 24	Choke Size N/A	Prod'n For Test Period 47	Oil - Bbl 47	Gas - MCF 47
Flow Tubing Press. 0	Casing Pressure 0	Calculated 24-Hour Rate 47	Oil - Bbl. 47	Gas - MCF 47	Water - Bbl. 110
29. Disposition of Gas (Sold, used for fuel, vented, etc.) FLARED				Test Witnessed By T. FOLSOM	
30. List Attachments COMPENSATED NEUTRON DENSITY, GR, DUAL LATEROLOG					
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief					
Signature 		Printed Name MICHAEL S. DAUGHERTY		Title PRESIDENT	
E-mail Address mdaugherty@dmii.com		Date 4/4/2008			

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt 1750	T. Strawn 9875	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 10170	T. Pictured Cliffs	T. Penn. "D"
T. Yates 2466	T. Miss 10320	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen 3180	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 3771	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 5140	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb 6587	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo 7292	T.	T. Wingate	T.
T. Wolfcamp 8598	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C) 9162	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....9450.....to.....9558.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
3820	4720	900	DOLOMITE & SAND				
4720	5200	480	DOLOMITE, LIMESTONE & SAND				
5200	5770	570	ANHYDRITE, DOLOMITE & LIMESTONE				
5770	6080	310	ANHYDRITE, DOLOMITE, LIMESTONE & SAND				
6080	7370	1290	ANHYDRITE, DOLOMITE & SHALE				
7370	8560	1190	SHALE & DOLOMITE				
8560	8820	260	DOLOMITE & LIMESTONE				
8820	10180	1360	LIMESTONE				
10180	10380	200	LIMESTONE, SAND & SHALE				