

Office

District I

1625 N. French Dr., Hobbs, NM 88241

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

Minerals and Natural Resources

May 27, 2004

RECEIVED

OIL CONSERVATION DIVISION
DEC 03 2008
South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OIL

WELL API NO. 30-025-39130 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No. V-07612
7. Lease Name or Unit Agreement Name HIGHTOWER STATE UNIT ✓
8. Well Number 3 ✓
9. OGRID Number 015363 ✓
10. Pool name or Wildcat HIGHTOWER, PERMO PENN ✓

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☒

2. Name of Operator MURCHISON OIL & GAS, INC. ✓

3. Address of Operator 1100 MIRA VISTA BLVD.
PLANO, TX. 75093-4698

4. Well Location
Unit Letter I : 1750 feet from the SOUTH line and 330 feet from the EAST line ✓
Section 27 Township 12S Range 33E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Drill a 8-3/4" hole to a total depth of 10361'. Ran 5-1/2" casing as follows:

1	Float Shoe	2'
1 Jt.	5-1/2" 17#/FT HCP-110 LT&C	45'
1	Float Collar	2'
13 Jts.	5-1/2" 17#/FT HCP-110 LT&C	576'
30 Jts.	5-1/2" 17#/FT I-100 LT&C	1307'
208 Jts.	5-1/2" 17#/FT L-80 LT&C	8417'
		10349'

Set 5-1/2" casing @ 10,345'. Cement w/ 1035 SXS Econocem-H + 3% PPS Gilsonite + 1% BWOC HR-800, WT = 11.9 PPG, Yield = 2.47 cu. ft/sk, WR = 13.94 GPS. Tail with 675 SXS Versacem-PBSH2 + .5% BWOC Halad 344 + 0.4% BWOC CFR-3 + 5 PPS Gilsonite + 0.35% BWOC HR-800 + 1 PPS NACL, WT = 13.2 PPG, Yield = 1.62 cu. ft/sk, WR = 8.19 GPS. Bump plug to 2535 PSI, floats held. Bled 1 bbl. back to tank. Did not circulate any cement to surface. ND BOP, set slip, cut csg, install WH and test to 5000 PSI. Held OK. Release rig @ 9:00 pm (Texas time) 11/19/2008.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE A. Arnold Nall TITLE Vice President Operations DATE 12/2/2008

Type or print name A. Arnold Nall

E-mail address: arnall@jdmii.com

Telephone No. (972) 931-0700

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 04 2008

Conditions of Approval (if any):