

RECEIVED

SEP 14 2009

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-39248
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CAPROCK FEE
8. Well Number 1
9. OGRID Number 015363
10. Pool name or Wildcat HIGHTOWER, PERMO PENN

<p>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.)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	7. Lease Name or Unit Agreement Name CAPROCK FEE
2. Name of Operator MURCHISON OIL & GAS, INC.	8. Well Number 1
3. Address of Operator 1100 MIRA VISTA BLVD. PLANO, TX. 75093-4698	9. OGRID Number 015363
4. Well Location Unit Letter M : 990 feet from the SOUTH line and 660 feet from the WEST line Section 26 Township 12S Range 33E NMPM County LEA	10. Pool name or Wildcat HIGHTOWER, PERMO PENN
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

Spud well w/ 17-1/2" hole @ 0500 HRS. 8/25/09. Drilled 17-1/2" hole to a depth of 416'. Run 13-3/8" as follows:

1	Texas Pattern Shoe	1'
1 Jt.	13-3/8" 54.5# J-55 BT&C	40'
1	Float Collar	1'
9 Jts.	13-3/8" 54.5# J-55 BT&C	376'
		418'

Set casing @ 416'. Cement w/ 170 SXS Extendacem-C + 2% CaCl + 4% Bentonite, Tail w/ 220 SXS Halcem-C + 2% CaCl, WT = 13.5 PPG, Yield = 1.75 cu.ft/sx, WR = 9.2. Plug down. Bump plug with 1000 PSIG. Floats held OK. Circulate 71 SXS to reserve pit. WOC. Cut off conductor and casing. Weld on wellhead and test to 1000 PSI. OK. Pick up, nipple up BOPE. WOC 13 HRS prior to testing BOPE to 1000 PSI. Held OK for 30 min. WOC total of 22 HRS. TIH w/ bit and drill cement and float collar. Test casing to 1000 PSI. Held OK for 30 min. Drill shoe and resume drilling 12-1/4" hole.

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 NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE A. Arnold Nall TITLE Vice President Operations DATE 9/8/2009

Type or print name A. Arnold Nall

E-mail address: arnall@jdmii.com

Telephone No. (972) 931-0700

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APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 15 2009

Conditions of Approval (if any):