

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

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

2. Name of Operator  
Gruy Petroleum Management Co.

3a. Address  
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. (include area code)  
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL 330' FNL & 1980' FEL Sec. 27 T25S - R26E  
BHL 1817' FNL & 1613' FEL Sec. 27 T25S - R26E

5. Lease Serial No.  
NMNM 92160

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM 111040

8. Well Name and No.  
Chosa Draw 27 Fed Com No. 1

9. API Well No.  
30-015-32918

10. Field and Pool, or Exploratory Area  
Cottonwood Draw; Upper Penn

11. County or Parish, State  
Eddy Co., NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Multiple Completion
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Surface Commingling

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Chosa Draw 27 Fed Com # 1 well is currently producing from the Cisco/Canyon formation, from 10372' - 10413', with a productive Morrow interval at 11836' - 12233' behind a RBP at 10475'. We are requesting approval of a through tubing Morrow, and through casing dual completion, as per the attached procedure. In addition we are requesting approval of Upper Penn and Morrow surface commingling. The Upper Penn/Morrow zones will be isolated with a 5 1/2" packer set at 11738'. Upper Penn and Morrow gas will be metered separately and delivered into a single GulfTerra sales meter. Production will be allocated back to the appropriate zones based on check meter volumes.

**SUBJECT TO  
LIKE APPROVAL  
BY NMOCD**

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED**

**APPROVED**

MAY 27 2004

*LIB*

LES BABYAK  
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Zeno Farris

Signature

*Zeno Farris*

Title

Manager, Operations Administration

Date

May 20, 2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

# RECOMMENDED COMPLETION PROCEDURE – Part 9

## CHOSA DRAW 27 FED COM #1

### EDDY COUNTY, NEW MEXICO

#### WELL DATA

**SPUD DATE:** 8/20/03  
**PERM. ZERO PT.:** KB=3288', DF=3287', GL=3265'  
**TOTAL DEPTH:** 12,300' MD = 12,020' TVD  
**SURFACE CSG:** 13-3/8" (17-1/2" hole), 54 & 48#, J-55 & H-40 @ 431'  
**INTER CSG:** 9-5/8" (12-1/4" hole), 40#, NS-110HC & P-110 @ 3200'  
**PROD CSG:** 7" (8-3/4" hole), 26#, P-110 & P-110HC @ 10745' w/ DV @ 5445'  
**PROD LNR:** 4-1/2" (6-1/8" hole), 11.6#, P-110 liner from 10492'-12300'  
**DEVIATION:** Kick off point @ 7947' – max deviation 29.5°  
**TUBING:** 2-7/8" L-80  
**PACKER:** 7" Arrowset 1-XX @ 10131' w/ 2.31" F profile on/off tool  
                   2.25" (1.97" no-go) R nipple @ 10149'  
                   4-1/2" Arrowset 1-XX (wls) @ 11738' w/ blanking plug in 1.81" F on/off  
**PERFS (OPEN):** 10372-10380, 10407-10413'  
**PBTD:** 7" RBP @ 10475' w/ 2 sx sand on plug  
**PERFS (SO):** 11836-11848, 11882-11893, 11924-11934, 12036-12046, 12150-12154,  
                   12165-12176, 12208-12222, 12226-12233'  
**FUTURE PERFS:** 9803-9807, 9812-9817, 9824-9829, 9834-9836, 9844-9850, 9853-9857,  
                   9882-9886, 9918-9922'

**OBJECTIVE :** Set up well as a Morrow (tbg) / Cisco (csg) dual.

\* \* \* \* \* SAFETY IS TOP PRIORITY \* \* \* \* \*

#### **PROCEDURE (all depths are measured depths):**

1. Light load tbg. ND wellhead. NU BOP's.
2. Rls pkr and POH.
3. PU & RIH w/ ret tool on 2-7/8" tbg. Circ ball sealers/gun debris/sand off RBP. If necessary, RU Air/foam unit to circ debris and sand from RBP.
4. Latch RBP & POH laying down 2-7/8" workstring.
5. PU & RIH w/ on/off tool, +/- 320' 2-3/8" tbg, 50' blast joints, 1 jt 2-3/8" tbg, sliding sleeve (opens up & closes down) and 2-3/8" tbg to pkr +/- 11738'. Space blast joints across perfs 10372-10413'. Run sliding sleeve in open position.
6. Latch pkr and space out tbg.

7. ND BOP's & spool. NU wellhead to produce Cisco up annulus and Morrow up tbg w/ separate measurement.
8. Swab tubing to unload Cisco 10372-10413' (casing).
9. RU slickline. Close sliding sleeve. Pull blanking plug. RD slickline.
10. Swab in Morrow 11836-12233' (tubing) if necessary.
11. Put both sides on production and test. RD&RR.
12. After rate stabilizes, run 4 pt on Morrow completion.

# GRUY PETROLEUM MANAGEMENT CO.

CHOSA DRAW 27 FED COM

#1

SPUDDED 8/20/03

API 30-015-32918

## CURRENT COMPLETION

Sherry Reid Carroll 5/19/04

KB: 3288'

DF: 3287'

GL: 3265'

330' FNL & 1980' FEL

Sec 27, T-25-S, R-26-E

Eddy Co, New Mexico

### Casing Strings:

20" Conductor @ 39' w/ 4 yds Ready-mix

13-3/8" (17-1/2" hole), 54 & 48#, J-55  
& H-40 @ 431' w/ 490 sx cmt  
TOC @ surface - circ

9-5/8" (12-1/4" hole), 40#, P-110 &  
NS-110 @ 3200' w/ 1050 sx cmt  
TOC @ surface - circ

7" (8-3/4" hole), 26#, P-110  
@ 10745' w/ DV @ 5445'  
1st stg - 550 sx cmt (did not circ off DV)  
2nd stg - 400 sx cmt (did not circ off)

4-1/2" (6-1/8" hole), 11.6#, P-110  
10492-12300' w/ 160 sx cmt  
TOC @ liner top

Deviated hole from 7947'

### Cisco Perfs:

10372-80, 10407-12', 6 spf (1/6/04)

### Morrow Perfs:

11836-48, 11882-93, 11924-34', 6 spf  
(11/24/03) - Frac'd

12036-46', 6 spf (11/12/03) - BD,  
Acid BD - Frac'd

12150-54, 12165-76, 12208-22  
12226-33', 6 spf (10/21/03) - Frac'd

### TUBING:

2-3/8" L-80

### NOTE:

Cisco will flow up csg annulus.  
Morrow will flow up tubing.

Sliding sleeve +/- 10330' (closed)

50' blast joints +/- 10362-10422'

4-1/2" Arrowset 1XX (wls) pkr  
w/ 1.81" F @ 11738'

CIBP @ 12267' (DO shoe jt to 12287')

TD = 12,300' MD (12020' TVD)

Empire 20 Federal Com No. 2  
Sec. 20 T18S R29E  
Atoka/Morrow Surface Comingling Application

Producing Formation	Monthly Production	btu Dry	mmbtu	Average btu
Upper Penn	26,544	1.09	28932.96	Actual
Morrow	16,368	1.082	<u>17710.176</u>	Estimate
Totals	42,912		46643.136	1.086949

Working interest owned 100% by Magnum Hunter Production, Inc.  
with common Federal Royalty and overriding royalty interests.



## Gruy Petroleum Management Co.

600 East Las Colinas Blvd. ♦ Suite 1100 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6450

Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

*A subsidiary of Magnum Hunter Resources, Inc. • A NYSE Listed Company • "MHR"*

May 21, 2004

Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, NM 88201-2019  
Attn: Mr. Armando Lopez

RECEIVED

MAY 24 2004

DOO-ARTESIA

Re: Chosa Draw 27 Federal Com No. 1  
E/2 27 T25S-R26E, Eddy County NM

Dear Mr. Lopez:

Enclosed are one (1) original, and five (5) copies of BLM Form 3160-5 with attachments, requesting approval for a tubing/casing dual completion, and the surface commingling of Upper Penn and Morrow gas from the referenced well. Morrow production will be isolated behind a 5 ½" packer at 11,738' with production through tubing. Cisco Canyon (Upper Penn) production will flow up the casing, with both zones flowing into a single GulfTerra sales meter. Production will be allocated to each zone based on check meter volumes.

The Chosa Draw 27 Federal Com No. 1 well is communitized in the Cisco, Canyon, Strawn, Atoka, and Morrow formations under agreement number NMNM 11040. The well is 100% owned by Gruy Petroleum Management Co., and the overrides and royalties, are common through all zones. In this regard working interest, overriding as well as fee and federal royalties will not be harmed by the averaging of the btu factors. We are also enclosing copies of New Mexico Form C-107 and C-107B, applications for multiple completion, and surface commingling.

If you have any questions, or require additional information concerning this application, please feel free to contact the undersigned at 972-443-6489.

Sincerely,

Zeno Farris  
Manager, Operations Administration

✓ New Mexico Oil Conservation Division  
1301 West Grand Avenue  
Artesia, NM 88210  
Attn: Mr. Bryan Arrant

New Mexico Oil Conservation Division  
1220 South St. Francis Dr  
Santa Fe NM 87505  
Attn: Mr. David Catanach

District I  
1625 N. French Dr. Hobbs, NM 88240  
District II  
811 South Eirst Artesia NM 88210  
District III  
1000 Rio Brazes Road, Aztec, NM 87410  
District IV  
2040 Sootb Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe. NM 87505

Form C-107  
Revised March 17, 1999

Filing instructions  
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

RECEIVED

Gruy Petroleum Management Co.

P.O. Box 140907 Irving, TX 75014

MAY 24 2004

Operator

Address

999-ARTESIA

Chosa Draw 27 Federal Com

1

B

270

25S

26E

Eddy

Lease

Well No.

Unit Ltr. - See - Twp - Rge

County

All applicants for multiple completion must complete items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cottonwood Draw; Upper Penn		Cottownwood Draw; Mrw Wldct
b. Top and Bottom of Pay Section (Perforations)	10,372' - 10,412'		11,836' - 12,233'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input checked="" type="checkbox"/> Actual <input checked="" type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	1015 mcf acutal		528 mcf flow test

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief

Signature Zeno Farris

Printed Name & Title Zeno Farris Manager Operations Admin.

Date May 20, 2004 Telephone 972-401-3111

OIL CONSERVATION DIVISION

Approved by \_\_\_\_\_

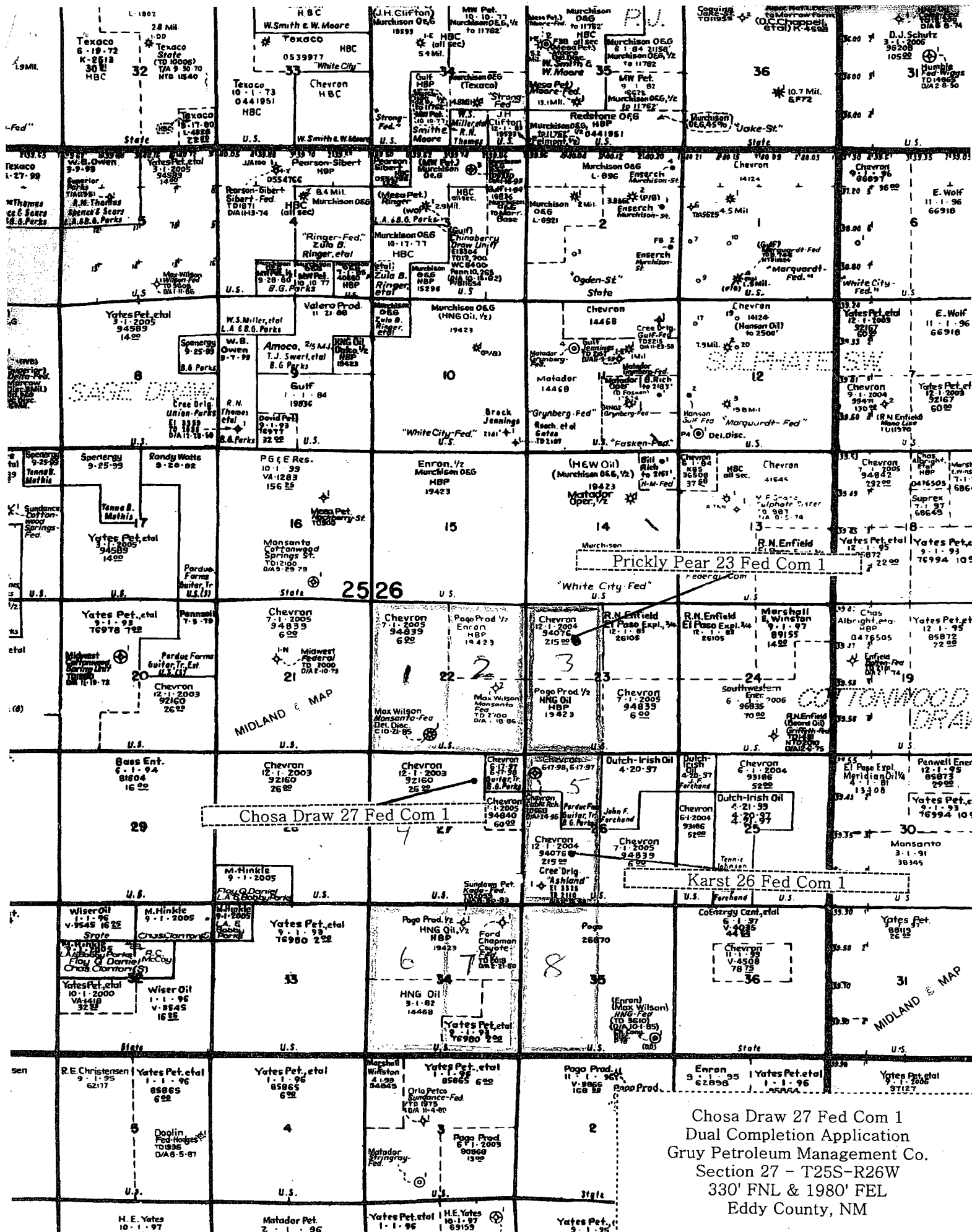
Title \_\_\_\_\_

Date \_\_\_\_\_

NOTE: if the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of me same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See Rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to Division office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.





List of Offset SPU's  
GRUY PETROLEUM MANAGEMENT CO.  
Chosa Draw 27 Fed Com # 1  
Cottonwood Draw Upper Penn/Morrow Wildcat Gas Pool

<u>OFFSET SPU</u>	<u>COLOR CODE</u>	<u>Well Name</u>	<u>Location</u>	<u>OPERATOR</u>	<u>ACERAGE DESCRIPTION</u>	<u>ACRES</u>
1	Bule	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 22 T-25S-R-26E	320
2	Blue	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 22 T-25S-R-26E	320
3	Red	Prickly Pear 23 Fed Com 1	E-23-25-26	Gruy Pet. Management Co.	W/2 Sec. 23 T-25S-R-26E	320
4	Yellow	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 27 T-25S-R-26E	320
5	Green	Karst 26 Fed Com 1	K-26-25-26	Gruy Pet. Management Co.	W/2 Sec. 26 T-25S-R-26E	320
6	Orange	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 34 T-25S-R-26E	320
7	Orange	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 34 T-25S-R-26E	320
8	Purple	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 35 T-25S-R-26E	320

# RECOMMENDED COMPLETION PROCEDURE – Part 9

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**PROD CSG:** 7" (8-3/4" hole), 26#, P-110 & P-110HC @ 10745' w/ DV @ 5445'  
**PROD LNR:** 4-1/2" (6-1/8" hole), 11.6#, P-110 liner from 10492'-12300'  
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**TUBING:** 2-7/8" L-80  
**PACKER:** 7" Arrowset 1-XX @ 10131' w/ 2.31" F profile on/off tool  
                   2.25" (1.97" no-go) R nipple @ 10149'  
                   4-1/2" Arrowset 1-XX (wls) @ 11738' w/ blanking plug in 1.81" F on/off  
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**PBTD:** 7" RBP @ 10475' w/ 2 sx sand on plug  
**PERFS (SO):** 11836-11848, 11882-11893, 11924-11934, 12036-12046, 12150-12154,  
                   12165-12176, 12208-12222, 12226-12233'  
**FUTURE PERFS:** 9803-9807, 9812-9817, 9824-9829, 9834-9836, 9844-9850, 9853-9857,  
                   9882-9886, 9918-9922'

**OBJECTIVE :** Set up well as a Morrow (tbg) / Cisco (csg) dual.

\* \* \* \* \* SAFETY IS TOP PRIORITY \* \* \* \* \*

#### **PROCEDURE (all depths are measured depths):**

1. Light load tbg. ND wellhead. NU BOP's.
2. Rls pkr and POH.
3. PU & RIH w/ ret tool on 2-7/8" tbg. Circ ball sealers/gun debris/sand off RBP. If necessary, RU Air/foam unit to circ debris and sand from RBP.
4. Latch RBP & POH laying down 2-7/8" workstring.
5. PU & RIH w/ on/off tool, +/- 320' 2-3/8" tbg, 50' blast joints, 1 jt 2-3/8" tbg, sliding sleeve (opens up & closes down) and 2-3/8" tbg to pkr +/- 11738'. Space blast joints across perfs 10372-10413'. Run sliding sleeve in open position.
6. Latch pkr and space out tbg.

7. ND BOP's & spool. NU wellhead to produce Cisco up annulus and Morrow up tbg w/ separate measurement.
8. Swab tubing to unload Cisco 10372-10413' (casing).
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CHOSA DRAW 27 FED COM

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& H-40 @ 431' w/ 490 sx cmt  
TOC @ surface - circ

9-5/8" (12-1/4" hole), 40#, P-110 &  
NS-110 @ 3200' w/ 1050 sx cmt  
TOC @ surface - circ

7" (8-3/4" hole), 26#, P-110  
@ 10745' w/ DV @ 5445'  
1st stg - 550 sx cmt (did not circ off DV)  
2nd stg - 400 sx cmt (did not circ off)

4-1/2" (6-1/8" hole), 11.6#, P-110  
10492-12300' w/ 160 sx cmt  
TOC @ liner top

Deviated hole from 7947'

### Cisco Perfs:

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### Morrow Perfs:

11836-48, 11882-93, 11924-34', 6 spf  
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12036-46', 6 spf (11/12/03) - BD,  
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12150-54, 12165-76, 12208-22  
12226-33', 6 spf (10/21/03) - Frac'd

TUBING:  
2-3/8" L-80

### NOTE:

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Morrow will flow up tubing.

Sliding sleeve +/- 10330' (closed)

50' blast joints +/- 10362-10422'

4-1/2" Arrowset 1XX (wls) pkr  
w/ 1.81" F @ 11738'

CIBP @ 12267' (DO shoe jt to 12287')

TD = 12,300' MD (12020' TVD)

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