

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/>	
2. NAME OF OPERATOR Gruy Petroleum Management Co. 162683					
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111					
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) 1200' FNL & 1400' FEL (CB) W.B.					
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 16 miles South of Carlsbad					
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drlg. unit line, if any) 1200'		16. NO. OF ACRES IN LEASE 1833.3		17. NO. OF ACRES ASSIGNED TO THIS WELL 640	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2331'		19. PROPOSED DEPTH 13000'		20. ROTARY OR CABLE TOOLS CARLSBAD CONTROLLED WATER BASIN Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3483' GR				22. APPROX. DATE WORK WILL START 05-15-03	

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	425'	490 sx circulate
12 1/4"	J-55 9 5/8"	36 #	3200'	1200 sx circulate
7 7/8"	N-80/S-95 5 1/2"	17 #	13000'	1620 sx TOC 2700'

The proposed well will be drilled to a depth of 13000' and completed as a White City Penn; producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system. We are requesting a variance for the 13 3/8" surface casing from Onshore Order No. 2, which states all casing strings below the conductor, shall be pressure tested to .22 psi per foot or 1500 # whichever is greater, but not to exceed 70% of the manufactures stated maximum internal yield. Per onshore order 2 the 13 3/8" 48 # H-40 casing should be tested at 70% of its maximum internal yield of 1730 # or 1211 #. During the running of the surface pipe we do not anticipate any pressures greater than 500 #, and are requesting a variance to test the 13 3/8" casing to 500 #

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE Mgr. Ops. Admin DATE 03-11-03

(This space for Federal or State office use)

PERMIT No. _____ APPROVAL DATE _____

Application approval 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. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Joe G. Lara TITLE ACTING FIELD MANAGER DATE 5/29/03

*See Instructions On Reverse Side

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.

APPROVAL FOR 1 YEAR

APPROVAL SUBJECT TO
GENERAL REQUIREMENT
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		White City; Penn
Property Code	Property Name	Well Number
	C K FEDERAL	2
OGRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT CO.	3483'

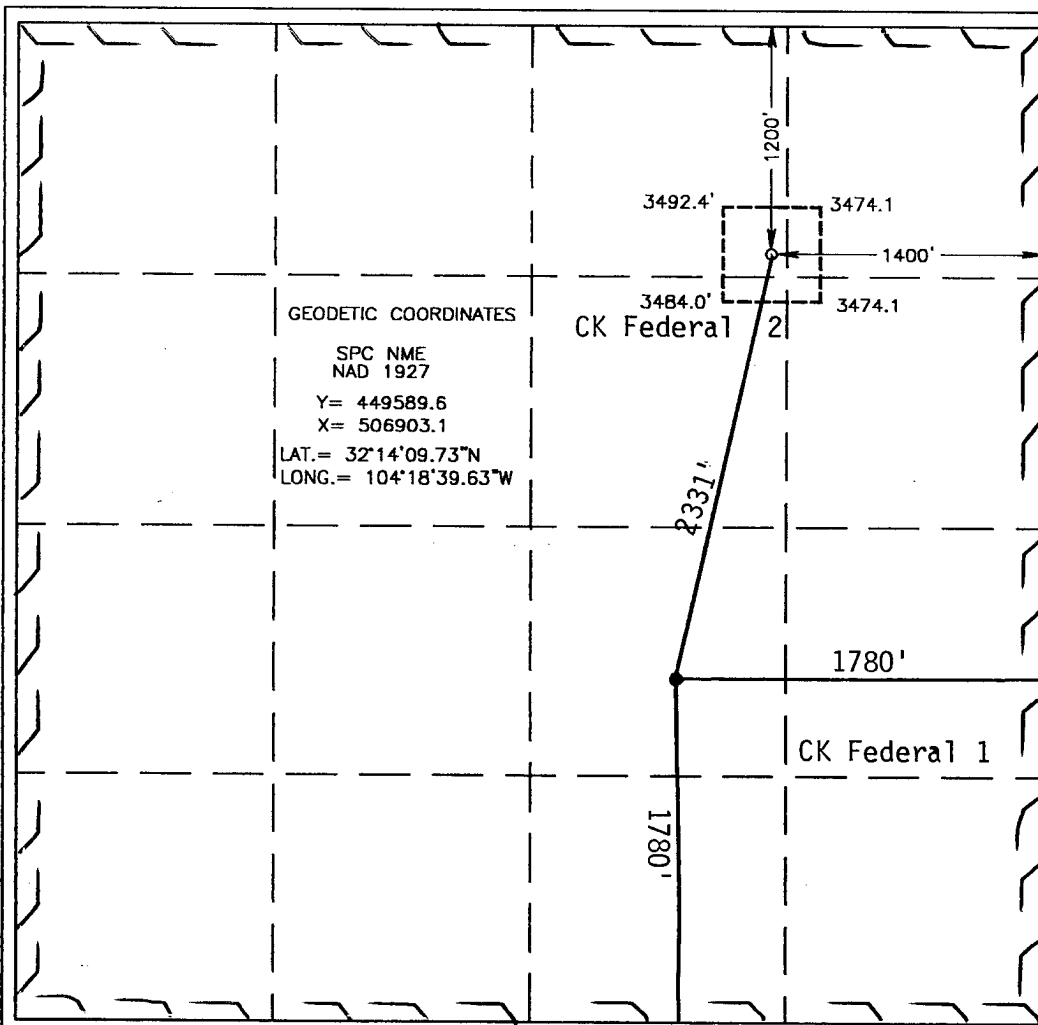
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	8	24-S	26-E		1200'	NORTH	1400	EAST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
640	Y	C							

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



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Zeno Farris

Signature

Zeno Farris

Printed Name

Mgr. Operations, Admin.

Title

March 11, 2003

Date

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.

February 28, 2003

Date Surveyed

AWB

Signature & Seal of
Professional Surveyor

Ronald A. Edson
02.11.0198

Certificate No. RONALD A. EDSON 3239
GARY EDSON 12841

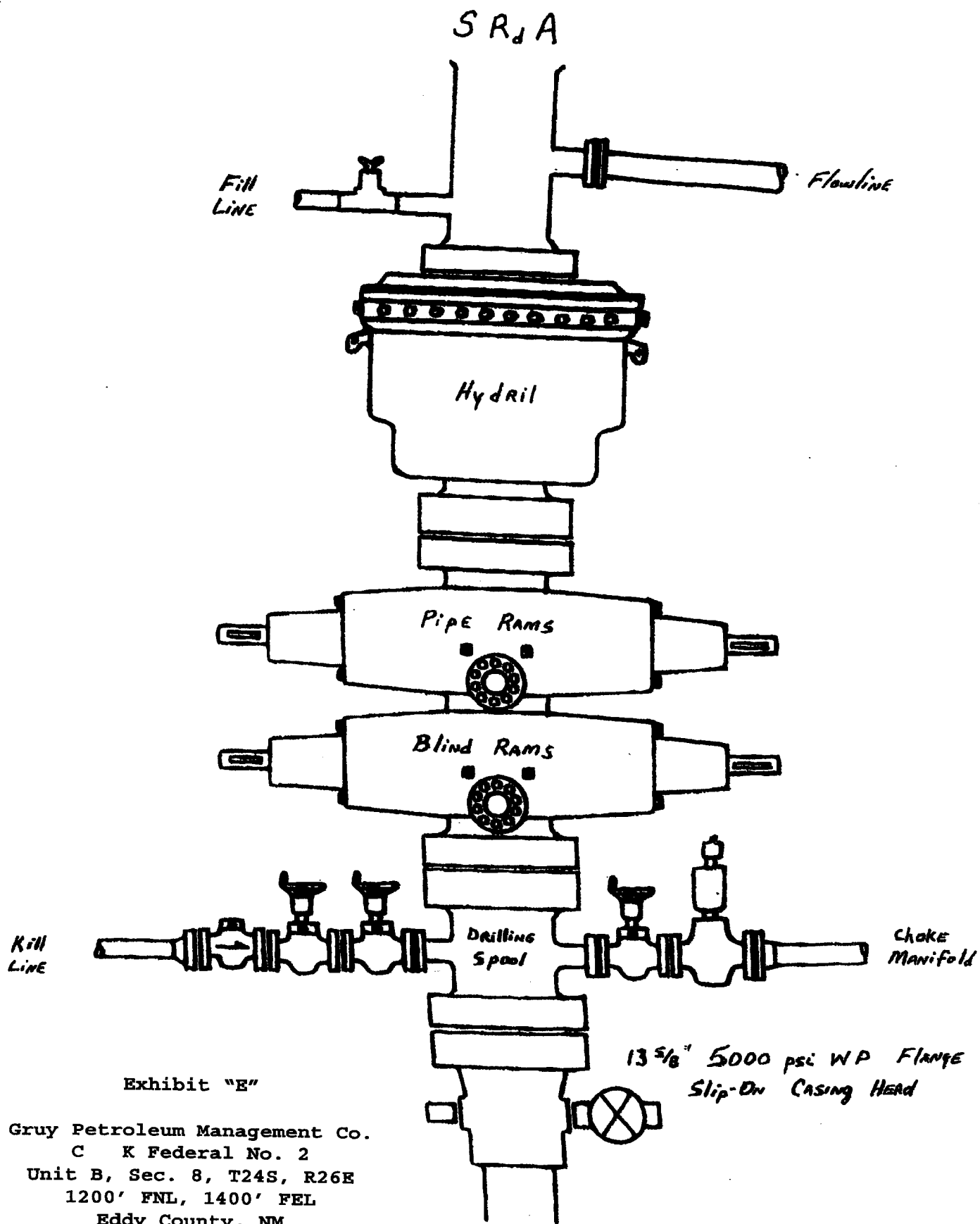


Exhibit "E"

Gruy Petroleum Management Co.
 C K Federal No. 2
 Unit B, Sec. 8, T24S, R26E
 1200' FNL, 1400' FEL
 Eddy County, NM