

0273
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
SUBMIT IN TRIPPLICATE
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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 WELL OTHER ZONE SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL WELL ZONE ZONE		
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.) 1400' FSL & 860' FWL 16 miles South of Carlsbad		
5. LEASE DESIGNATION AND SERIAL NO. LC 065347		
6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
7. UNIT AGREEMENT NAME NMNM 91062 29014		
8. FARM OR LEASE NAME, WELL NO. Eddy 21 Federal Com No. 3		
9. API WELL NO. 30-015- 32635		
10. FIELD AND POOL, OR WILDCAT White City; Penn (Gas)		
11. SEC. T.R.M., BLOCK AND SURVEY OR AREA Sec. 21 T24S R26E		
12. COUNTY OR PARISH Eddy		13. STATE NM
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drlg. unit line, if any) 860'		16. NO. OF ACRES IN LEASE 2318.080
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. 13000'
19. PROPOSED DEPTH 13000'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3358		22. APPROX. DATE WORK WILL START 02-10-03

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 South Carlsbad; Morrow 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 5/8" 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.

24 SIGNED Zeno Farris TITLE Mgr. Ops. Admin DATE 01-20-03

(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/ LESLIE A. THEISS TITLE FIELD MANAGER DATE FEB 10 2003

*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.

Carlsbad Controlled Water Basin

APPROVAL FOR 1 YEAR
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS 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 87280	Pool Name White City; Penn
Property Code	Property Name EDDY 21 FEDERAL COM.	Well Number 3
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3358'

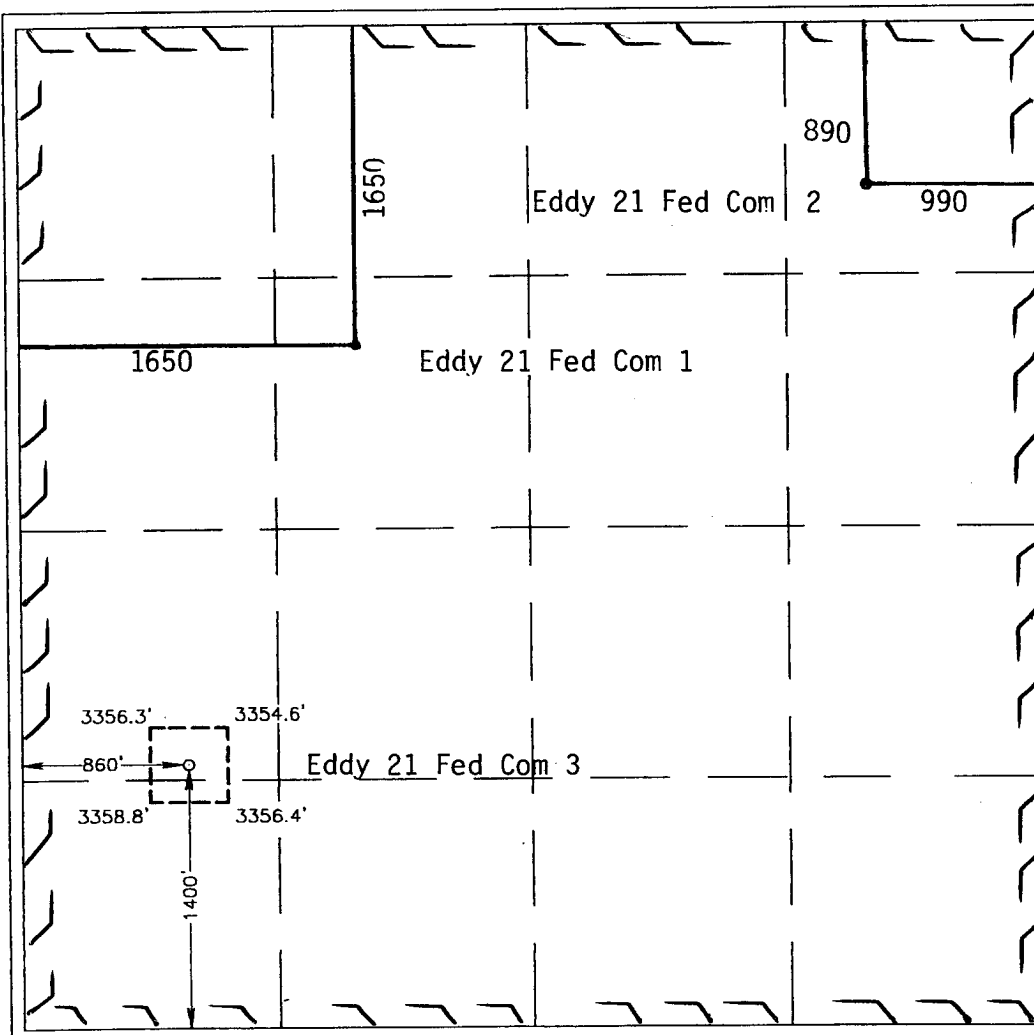
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	21	24-S	26-E		1400	SOUTH	860	WEST	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 640	Joint or Infill Y	Consolidation Code C	Order No.						

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 that 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

January 21, 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.

JANUARY 8, 2003

Date Surveyed

L.A.

Signature & Seal of
Professional Surveyor

Ronald J. Eidson
NEW MEXICO
03110010

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

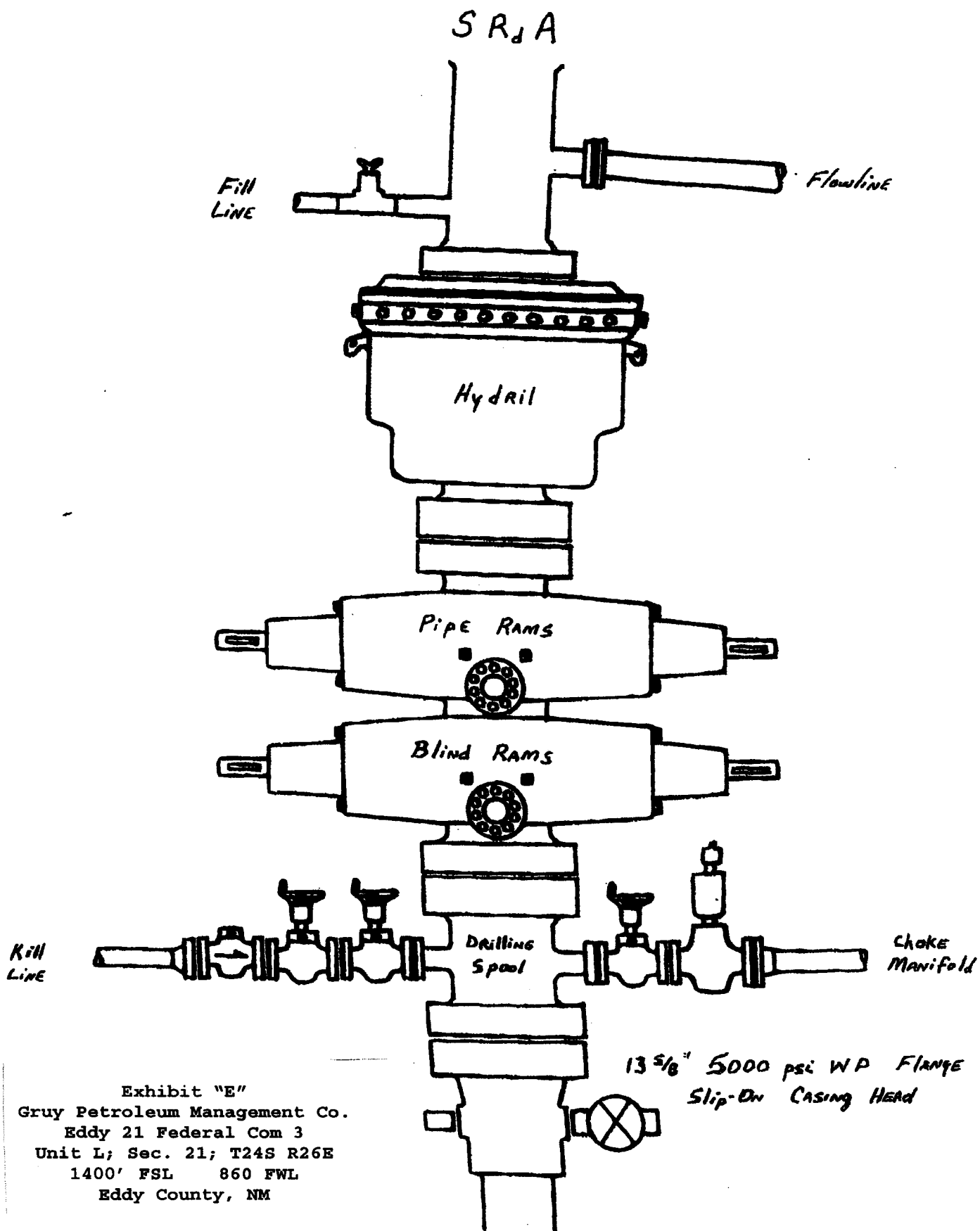


Exhibit "E"
 Gruy Petroleum Management Co.
 Eddy 21 Federal Com 3
 Unit L; Sec. 21; T24S R26E
 1400' FSL 860 FWL
 Eddy County, NM