

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO Box 140907 Irving, TX 75014-0907		2. OGRID Number 162683
		3. API Number 30-015-34455
4. Property Code 300595	5. Property Name FORNI	6. Well No. 005

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	15	22S	27E	J	1620	S	1790	E	EDDY

**8. Pool Information**

CARLSBAD,MORROW, SOUTH (PRO GAS)	73960
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3079
14. Multiple N	15. Proposed Depth 12150	16. Formation Morrow	17. Contractor	18. Spud Date 12/15/2005
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 12000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	475	0
Int1	12.5	9.625	40	2650	1200	0
Prod	8.75	5.5	17	12150	1920	1600

**Casing/Cement Program: Additional Comments**

Gruy Petroleum Management Co. Forni No. 4 Unit Letter J Section 15 T22S - R27E Eddy County, NM 1 Cementing & Setting Depth: 13 3/8" Surface Set 400' of 13 3/8" H-40 48# ST&C casing. Cement with 475 Sx. Of Class "C" cement + additives, circulate cement to surface. 9 5/8" Intermediate Set 2650' of 9 5/8" J-55 40# LT&C casing. Cement lead with 680 sx Class POZ/C Cement + additives and tail with 200 sx Class "C" + additives, circulate cement to surface. 5 1/2" Production Set 12150' of 5 1/2" P-110 17# LT&C casing. Cement in two stages, first stage cement with 670 Sx. of Class POZ/C Cement + additives. Second stage cement with 950 Sx of Class "C". Estimated top of cement 2700'. 2 Pressure control Equipment: A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Bryan Arrant	
Printed Name: Electronically filed by Zeno Farris	Title: Geologist	
Title: Manager Operations Administration	Approved Date: 12/6/2005	Expiration Date: 12/6/2006
Email Address: zfarris@magnumhunter.com		
Date: 12/5/2005	Phone: 972-443-6489	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

## Energy, Minerals and Natural Resources

## Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34455	2. Pool Code 73960	3. Pool Name CARLSBAD,MORROW, SOUTH (PRO GAS)
4. Property Code 300595	5. Property Name FORNI	
6. Well No. 005	7. OGRID No. 162683	
8. Operator Name GRUY PETROLEUM MANAGEMENT CO.	9. Elevation 3079	

## 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	15	22S	27E		1620	S	1790	E	EDDY

## 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code			15. 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**

	<b>OPERATOR CERTIFICATION</b>				
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>				
	E-Signed By: Zeno Farris				
	Title: Manager Operations Administration				
Date: 12/5/2005			<b>SURVEYOR CERTIFICATION</b>		
<i>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.</i>					
Surveyed By: Ronald Eidson					
Date of Survey: 11/30/2005					
Certificate Number: 3239					

## Permit Comments

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683

Well: FORNI #005

API: 30-015-34455

Created By	Comment	Comment Date
NKRUEGER	C-144 has been emailed to Van Barton.	12/5/2005
NKRUEGER	H2S Constingency Plan will be mailed to OGD by Indian Fire & Safety once it has been completed.	12/5/2005

# Permit Conditions of Approval

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683

Well: FORNI #005

API: 30-015-34455

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Surface casing to be set above the Salado formation. Please refer to offset geology/e-logs for more information.
BArrant	As noted, surface casing to be drilled with 'fresh water mud.'