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May 7, 2001

HAND DELIVERED

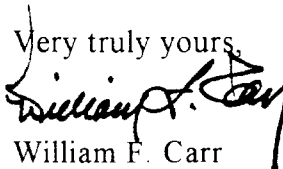
Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Gruy Petroleum Management Co. for Salt Water Disposal,
Lea County, New Mexico.

Dear Ms. Wrotenbery;

Enclosed is the Affidavit of Publication from the Artesia Daily Press confirming that the legal advertisement for the above-referenced application was published on April 25, 2001.

Please include this Notice of Publication in the file for this administrative application.

Very truly yours,

William F. Carr

Enc.

RECEIVED
MAY 10 2001
NEW MEXICO DEPT OF ENERGY

Affidavit of Publication

NO. 17295

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The
Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 consecutive weeks/days on the same

day as follows:

First Publication April 25 2001

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

25th day of April 2001

Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

Copy of Publication:

LEGAL NOTICE

Gruy Petroleum Management Co., Post Office Box 140907, Irving, Texas 75014, has filed an Application for Authorization to Inject (Oil Conservation Division Form C-108) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the Aid 24 State Corn Well No. 1 is located 1980 feet from the West line and 660 feet from the South line of Section 24, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The source of the disposal water will be from wells in the area which produce from the Seven Rivers, Grayburg, San Andres and Yeso formation. The disposal water will be injected into the Cisco formation of the Pennsylvanian system at a depth of 8514 feet to 8804 feet. A maximum surface pressure of 1600 pounds (subject to subsequent increase after Division approved testing) and a maximum rate of 1500 BWPD. Any interested party with questions or comments may contact Zeno Farris at Gruy Management Co., Post Office Box 140907, Irving, Texas 75014 or call (972) 401-3111. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice. Published in the Artesia Daily Press, Artesia, N.M. April 25, 2001.

Legal 17295

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

Via Facsimile (505) 983-6043 and FedEx

May 15, 2001

MAY 16 2001

William F. Carr
Holland & Hart LLP
Campbell & Carr, Attorneys at Law
110 N. Guadalupe, Suite 1 (87501-6525)
P.O. Box 2208
Santa Fe, NM 87504-2208

Re: Application of Gruy Management Co. For Administrative Approval of
Salt Water Disposal, Eddy County, New Mexico

Dear Mr. Carr:

Reference is made to Gruy Management Company's (Gruy's) first notice, to Doyle Hartman, dated April 26, 2001 (received May 15, 2001), of its filing of an administrative application, with the NMOCDD, for approval of its proposed Aid State Com No. 1 water disposal well (formerly Aid "24" State Com No. 1 well), situated 660' FSL and 1980' FWL Section 24, T-17-S, R-28-S, Eddy County, New Mexico, with disposal to occur at a well depth of 8514' to 8804'.

Please be advised that Doyle Hartman hereby waives objection to Gruy's proposed water disposal application, subject to the following conditions:

- 1) That the production string, for the proposed disposal well, will be thoroughly and properly cemented back to surface, so as to prevent behind-the-pipe migration between geological strata.
- 2) That wellhead injection pressures will be properly monitored, and will not exceed a surface injection pressure limit of 0.2 psi/ft.
- 3) Resolution of Aid "24" State Com wellbore ownership.

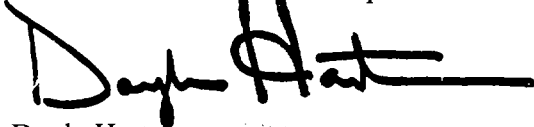
William F. Carr
Holland & Hart LLP
Campbell & Carr, Attorneys at Law
May 15, 2001
Page 2

In this regard, our nearby "BV" No. 1 Morrow well (J-25-17S-28E) has potential behind-the-pipe pay zones, at 7835' to 7900' and 10,280' to 10,340', and we wish to ensure that all water disposal, into the proposed Aid State Com No. 1 disposal well, is totally confined to the intended disposal interval of 8514' to 8804'. In addition, Doyle Hartman also owns 50% of the rights above the Morrow (including the Yeso rights) under the diagonal offset 40-acre tract consisting of NW/4SW/4 Section 24, T-17-S, R-28-E, which we also wish to protect from any possible out-of-zone injection.

Finally, since (1) Doyle Hartman is successor-in-interest (effective September 1, 1989) to ARCO's working interest in the Gruy-operated 320-acre South Empire State Com No. 1 Morrow well (S/2 Section 24, T-17-S, R-28-E), and (2) the Aid "24" State Com No. 1 well (660' FSL and 1980' FWL Section 24) was drilled as the original Morrow test well corresponding to the S/2 Section 24, T-17-S, R-28-E, please advise as to how Gruy is handling the ownership of the Aid "24" State Com No. 1 wellbore (that is to be utilized as the proposed water disposal well). Enclosed are the C-102's corresponding to the South Empire State Com No. 1 well and the Aid "24" State Com No. 1 well, documenting that both wells were drilled as Morrow test wells and were dedicated to the Morrow formation, as to the S/2 Section 24, T-17-S, R-28-E.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal line extending to the right.

Doyle Hartman

rcs
wp7\corresp.dh\gruy.state-bv

cc: **Via Facsimile (505) 476-3462 and FedEx**
David Catanach, Hearing Officer
New Mexico Oil Conservation Division
1220 S. Saint Francis Dr.
Santa Fe, NM 87504

Zeno Farris, Manager of Operation Administration
Gruy Petroleum Management
P.O. Box 140907
Irving, TX 75014

William F. Carr
Holland & Hart LLP
Campbell & Carr, Attorneys at Law
May 15, 2001
Page 3

J.E. Gallegos
Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Midland)
Linda Land
Steve Hartman
John Allred

HOLLAND & HART LLP
AND
CAMPBELL & CARR
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TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

April 26, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Doyle Hartman, Oil Operator
500 North Main
Midland, Texas 79702

*Re: Application of Gruy Management Co for administrative approval of
salt water disposal, Lea County, New Mexico.*

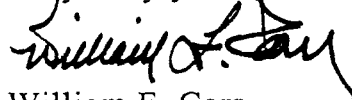
Ladies and Gentlemen:

This letter is to advise you that Gruy Management Co. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to dispose of produced water in its Aid State Com Well No. 1 located 1980 feet from the West line and 660 feet from the South line of Section 4, Township 17 South, Range 28 East, NMPM, Lea County, New Mexico. Gruy proposes to inject into the Cisco formation of the Pennsylvanian system through an injection interval of 8514 feet to 8804 feet. The initial maximum injection pressure proposed by Gruy is 1600 pounds and the maximum daily injection rate will be 1500 barrels of water.

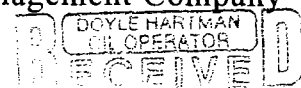
If you have questions concerning this application, you may contact Zeno Farris at Gruy Petroleum Management Company, Post Office Box 140907, Irving, Texas 75014, telephone number (972) 401-3111.

Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within 15 days of the date of this letter.

Very truly yours,



William F. Carr
Attorney for Gruy Management Company



MAY 15 2001

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Doyle Hartman		Lease South Empire State Comm.		Well No. 1	
Section M	Section 24	Township 17 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 800 feet from the South line and 1000 feet from the West line					
Ground Level Elev 3680.7		Producing Formation Morrow		Pool Empire Morrow, South	
				Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

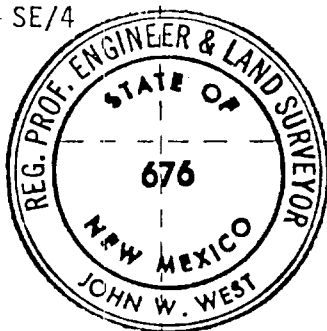
☒ Yes ☐ No If answer is "yes," type of consolidation SEE REVERSE SIDE

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Atlantic Richfield Co. and Doyle Hartman (40 acres)--NW/4 SW/4
Doyle Hartman (80 acres)--S/2 SW/4
Park Weaver (200 acres)--NE/4 SW/4 & SE/4
(Pennzoil--Operating Rights)

All royalty owned by State of New Mexico



CERTIFICATION

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

Larry A. Nermyr

Name

Larry A. Nermyr

Position

Engineer

Company

Doyle Hartman, Oil Operator

Date

July 14, 1980

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 knowledge and belief.

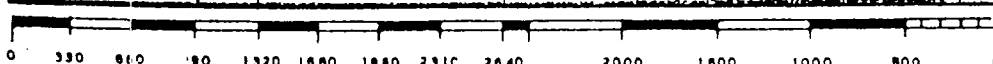
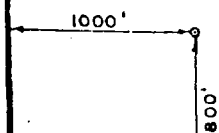
Date Surveyed

6-9-1980

Registered Professional Engineer and Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 8888
Ronald J. Eidson 3239



EXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Pennzoil Company		Lease Aid "24" State Com.		Well No. 1
Unit Letter N	Section 24	Township 17 South	Range 28 East	County Eddy
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the West line				
Ground Elev. Elev 3684.6	Producing Formation Morrow	Rock Aid	Dedicated Acreage: 320 Acres	

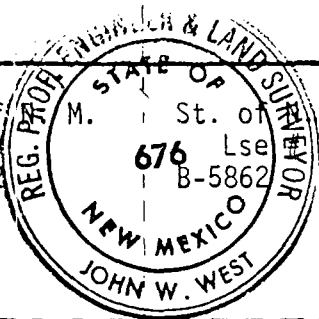
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Inexco Oil Company (Royalty Owner - St. of N. M.)			
Park WEaver (Royalty Owner - St. of N. M.)			
Doyle Hartman (Royalty Owner - St. of N. M.)			
St. of N. M. Lse # L-2762		St. of N. M. Lse # B-5862	
St. of N. M. Lse # LG 6340		St. of N. M. Lse # B-6251	



CERTIFICATION

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

L. C. Marquart
Name

L. C. Marquart

Position

Dist. Production Manager

Company

Pennzoil Company

Date

3-7-79

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 knowledge and belief.

Date Surveyed

February 20, 1979

Registered Professional Engineer
in State of New Mexico

John W. West

Certificate No. John W. West

676

RECEIVED MAY - 8 1979
Ronald J. Eidson

3239

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

DOYLE HARTMAN
Oil Operator
500 N. Main
P.O. Box 10426
MIDLAND, TEXAS 79702
(915) 684-4011 Office / 682-7616 Fax

FAX COVER SHEET

To:

NAME <i>David Tatanach</i>	DATE AND TIME OF TRANSMISSION <i>5/15/01</i>
COMPANY <i>NMOCO</i>	FAX NUMBER <i>(505) 476-3462</i>

From:

NAME <i>Doyle Hartman</i>

Reference:

SUBJECT <i>Shup management to's Application for SWD</i>
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<i>Hard copy to follow via Fed ex.</i>