

OPERATOR'S COPY

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO 1004-0136
Expires: February 28 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.

NMLC030174A

6. IF INDIAN ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEN

1b. TYPE OF WELL

OIL WELL GAS WELL

SINGLE ZONE MULTIPLE ZONE

7. UNIT AGREEMENT NAME

Rhodes Federal Unit

8. FARM OR LEASE NAME, WELL NO.

Rhodes Federal Unit No. 227

9. API WELL NO.

10. FIELD AND POOL OR WILDCAT

Rhodes; Yates-7 Rivers (Gas)

11. SEC. T.R.M. BLOCK AND SURVEY

OR AREA

22-T26S-R37E

12. COUNTY OR PARISH

Lea

13. STATE

NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 5 miles southeast of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, T.O.

(Also to nearest dirg. unit line, if any) 990'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED

TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT

1650'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF RT GR, etc.)

2994' GR

CAPTAN CONTROLLED WATER BASIN

22. APPROX. DATE WORK WILL START*

When Approved

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	750' 1060' 555	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1000 sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system

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

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 Fournier TITLE Mgr. Ops. Admin. DATE 05-23-05

(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 J. A. Hering TITLE FIELD MANAGER

DATE 7/13/05

*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.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13567-13572 Exhibit No. 2

Submitted by:

GRUY PETROLEUM MANAGEMENT CO.

Hearing Date: October 20, 2005

APPROVAL FOR 1 YEAR

State of New Mexico

Energy Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I

1625 N. FRENCH DR., HOBSB. NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name Rhodes-Yates-7 Rivers (Gas)
Property Code	Property Name RHODES FEDERAL UNIT	Well Number 227
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 2990'

Surface Location

UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	26-S	37-E		1980	NORTH	990	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160'	Joint or Infill Y	Consolidation Code U	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 the the information contained herein is true and complete to the best of my knowledge and belief.

Zeno Farris

Signature
Zeno Farris

Printed Name
Manager Operations Admin

Title
May 24, 2005

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.

MAY 6, 2005

Date Surveyed _____ LA

Signature & Seal
Professional Surveyor

Certificate No. GARY EDSON 12641

OPERATOR'S COPY SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.

NMLC030174A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Rhodes Federal Unit

8. FARM OR LEASE NAME WELL NO.

Rhodes Federal Unit No. 226

9. API WELL NO.

10. FIELD AND POOL OR WILDCAT

Rhodes; Yates-7 Rivers (Gas)

11. SEC. T. R. M. BLOCK AND SURVEY

OR AREA

22-I26S-R37E

12. COUNTY OR PARISH

Lea

13. STATE

NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

1b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

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.)

1980' FNL & 1550' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 5 miles southeast of Jal, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O.

(Also to nearest drg unit line, if any) 1550'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL.

160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1224'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2979' GR

22. APPROX. DATE WORK WILL START*

6-30-05

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	1050'	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150' sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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 Zeno Farris TITLE Mgr. Ops. Admin. DATE 05-23-05

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 Joe D. Lane TITLE ACTING FIELD MANAGER DATE 8/8/05

*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

OPERATOR'S COPY

Form 3180-3
(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO 1004-0136
Expires: February 28 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMLC 030176-A	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL WELL OTHER ZONE SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/>		6. IF INDIAN ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Gruy Petroleum Management Co		7. UNIT AGREEMENT NAME Rhodes Federal Unit	
3. ADDRESS AND TELEPHONE NO P.O. Box 140907 Irving TX 75014 972-401-3111		8. FARM OR LEASE NAME WELL NO. Rhodes Federal Unit No. 98	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) 660' FNL & 1650' FEL		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 4 miles south of Jal, New Mexico		10. FIELD AND POOL OR WILDCAT Rhodes; Yates-7 Rivers (Gas)	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drg. unit line, if any) 660'		11. SEC T R M BLOCK AND SURVEY OR AREA Section 9-T26S-R37E	
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT 1422'		20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 4000'		21. APPROX. DATE WORK WILL START 01-01-06	
21. ELEVATIONS (Show whether DF RT GR. etc.) 2980' GR		22. APPROX. DATE WORK WILL START	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	975' 1050' JSS	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150 sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer. From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

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

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 Zero Farris TITLE Mgr. Ops. Admin. DATE 09-02-05

(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 [Signature] TITLE Acting FIELD MANAGER DATE 10/12/05

*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

State of New Mexico

Energy Minerals and Natural Resources Department

DISTRICT I
1625 N. FRENCH DR. HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
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
		Rhodes; Yates-7 Rivers (Gas)
Property Code	Property Name	Well Number
	RHODES FEDERAL UNIT	98
OCRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT CO	2980'

Surface Location

UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	26-S	37-E		660	NORTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UI 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.
160	Y	U	

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

Diagram showing well location with dimensions: 2982.5', 2980.8', 1650', 600', 2975.4', 2981.8', 1980', 760'. RFU #95, #96, #98. GEODETIC COORDINATES NAD 27 NME. Y=388637.8 N, X=862206.0 E, 2180'. LAT.=32°03'47.11" N, LONG.=103°09'50.91" W.

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
September 2, 2005
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.

AUGUST 17, 2005
Date Surveyed LA

Signature & Seal
Professional Surveyor
GARY EIDSON
NEW MEXICO
85.11.1257
Certification No. GARY EIDSON 12641

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

5 LEASE DESIGNATION AND SERIAL NO

NMLC 030177-B

6 IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEN

1b. TYPE OF WELL

OIL GAS
WELL WELL

SINGLE MULTIPLE
OTHER ZONE ZONE

7 UNIT AGREEMENT NAME

Rhodes Federal Unit

8 FARM OR LEASE NAME, WELL NO.

Rhodes Federal Unit No. 56

9 API WELL NO

2 NAME OF OPERATOR

Gruy Petroleum Management Co.

3 ADDRESS AND TELEPHONE NO

P.O. Box 140907 Irving TX 75014 972-401-3111

10 FIELD AND POOL OR WILDCAT

Rhodes; Yates-7 Rivers (Gas)

11 SEC T R M BLOCK AND SURVEY

OR AREA

Section 5-T26S-R37E

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)

660' FSL & 660' FWL

12 COUNTY OR PARISH

Lea

13 STATE

NM

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 3 miles south of Jal, New Mexico

15 DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drif unit line, if any)

660'

16 NO OF ACRES IN LEASE

800

17 NO. OF ACRES ASSIGNED TO THIS WELL

160

18 DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT

1832'

19 PROPOSED DEPTH

4000'

20 ROTARY OR CABLE TOOLS

Rotary

21 ELEVATIONS (Show whether DF RT. GR etc.)

2972' GR

22 APPROX DATE WORK WILL START*

11-01-05

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	975'	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150' sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

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 Foum TITLE Mgr. Ops. Admin. DATE 08-04-05

(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 _____ TITLE _____ DATE _____

*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.

State of New Mexico

DISTRICT I
1626 N. FRANCH DR., ROSS, NM 88240

Energy Minerals and Natural Resources Department

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III
1000 Rio Brazos Rd. Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		Rhodes; Yates-7 Rivers (Gas)
Property Code	Property Name	Well Number
	Rhodes Federal Unit	56
OGRID No.	Operator Name	Elevation
162683	Gruy Petroleum Mgmt. Co.	2972'

Surface Location

UI or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	26-S	37-E		660	SOUTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

UI 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
160	Y	U	

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

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Zeno Farris</u> Signature</p> <p><u>Zeno Farris</u> Printed Name</p> <p><u>Mgr Operations Admin</u> Title</p> <p><u>August 4, 2005</u> Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><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></p> <p><u>JULY 26, 2005</u> Date Surveyed</p> <p><u>LA</u> Signature of Surveyor</p> <p><u>GARY EDISON</u> Professional Surveyor</p> <p><u>05.11.1163</u> Certificate No.</p> <p><u>12641</u> Professional Surveyor No.</p>

OPERATORS COPY

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO. NMNM90796	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME Rhodes Federal Unit	
8. FARM OR LEASE NAME, WELL NO. Rhodes Federal Unit No. 159	
9. API WELL NO.	
10. FIELD AND POOL OR WILDCAT Rhodes; Yates-7 Rivers (Gas)	
11. SEC. T. R. M. BLOCK AND SURVEY OR AREA 15-T26S-R37E	
12. COUNTY OR PARISH Lea	13. STATE NM
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 5 miles south of Jal, New Mexico	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drlg. unit line, if any) 990'	16. NO. OF ACRES IN LEASE 320
17. NO. OF ACRES ASSIGNED TO THIS WELL 160	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT 1138'
19. PROPOSED DEPTH 4000'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF RT GR etc.) 2981' GR	22. APPROX. DATE WORK WILL START* 6-30-05

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	750' 1000' JSS	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150' sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer. From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

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

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 05-23-05

(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 [Signature] TITLE Acting FIELD MANAGER DATE 7/13/05

*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

DISTRICT I
1625 N. FRENCH DR. ROSS, NM 86240

DISTRICT II
1301 W. GRAND AVENUE ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd. Aztec NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
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
		Rhodes; Yates-7 Rivers (Gas)
Property Code	Property Name	Well Number
	RHODES FEDERAL UNIT	159
OGRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT COMPANY	2988'

Surface Location

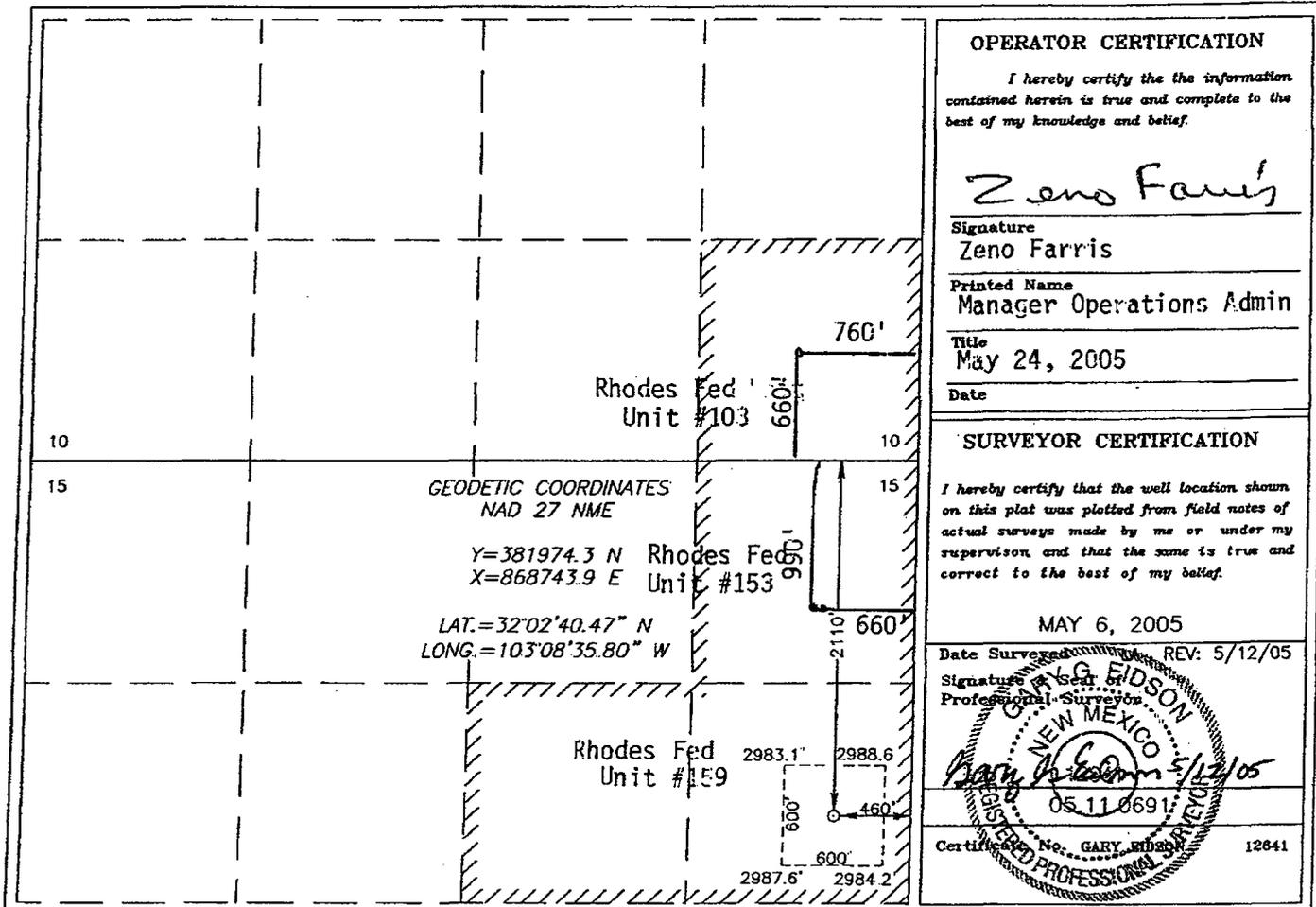
UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	26-S	37-E		2110	NORTH	460	EAST	LEA

Bottom Hole Location If Different From Surface

UI 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.
160	Y	U	

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
Manager Operations Admin

Title
May 24, 2005

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.

MAY 6, 2005

Date Surveyed: MAY 6, 2005 REV: 5/12/05

Signature: *GARY EIDSON*
Professional Surveyor

Professional Seal: GARY EIDSON, NEW MEXICO, No. 05.11.0691

Certificate No. GARY EIDSON 12841

New Mexico *Resubmitted*

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1625 N. **SUBMIT IN TRIPLICATE***
Hobbs, NM 88240
(Other instructions on reverse side)

FORM APPROVED
OMB NO 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO
LC-030176B
6 IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN
1b. TYPE OF WELL
OIL WELL GAS WELL SINGLE ZONE MULTIPLE ZONE
OTHER ZONE

7. UNIT AGREEMENT NAME

2 NAME OF OPERATOR
Gruy Petroleum Management Co. 162683

8 FARM OR LEASE NAME WELL NO
Cagle C Federal Com No. 6 34913

3 ADDRESS AND TELEPHONE NO
P.O. Box 140907 Irving IX 75014 972-401-3111

9 API WELL NO
30 025 37342

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
660' FNL & 1977' FWL Section 10-26S-37E
"C"

10 FIELD AND POOL OR WILDCAT
Rhodes; Yates-7 Rivers (Gas) 82810

11 SEC T. R. M BLOCK AND SURVEY
OR AREA
10-I26S-R37E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 5 miles south of Jal, New Mexico

12 COUNTY OR PARISH
Lea
13 STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drtg unit line, if any) 660'
16. NO. OF ACRES IN LEASE 600
17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT 1864'
19 PROPOSED DEPTH 4000'

20. ROTARY OR CABLE TOOLS
Rotary
22. APPROX. DATE WORK WILL START
6-30-05

21 ELEVATIONS (Show whether DF, RT, GR, etc.)
2987' GR

23 PROPOSED CASING AND CEMENTING PROGRAM

22. APPROX. DATE WORK WILL START
6-30-05

Controlled Water Basin

WITNESS

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	750' 1010'	650 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150' sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer. From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

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

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 05-23-05

(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/ Tony J. Herrell TITLE FIELD MANAGER DATE JUN 28 2005

*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

DISTRICT I
1825 N. FRENCH DR., HOBBS NM 88240

DISTRICT II
1501 W. GRAND AVENUE ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
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
		Rhodes: Yates-7 Rivers (Gas)
Property Code	Property Name	Well Number
	CAGLE C FEDERAL COM	6
OGRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT COMPANY	2987'

Surface Location

UI or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	10	26-S	37-E		660	NORTH	1977	WEST	LEA

Bottom Hole Location If Different From Surface

UI or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No
160	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

Cagle C Fed Com #6

GEODETC COORDINATES
NAD 27 NME

Y=388675.9 N
X=865832.5 E

LAT.=32°03'47.10" N
LONG.=103°09'08.77" W

Rhodes Fed Unit #102

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

Manager Operations Admin

Title

May 24, 2005

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.

MAY 5, 2005

Date Surveyed

LA

Signature & Seal

Professional Surveyor

Certificate No. GARY EDSON 12841