

New Mexico Oil Conservation Division, District I

Form 3160-5
(November 1994)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC-068037
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3111	7. If Unit or CA/Agreement, Name and/or No. NM 061P3584C426
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 1650' FEL Section 29-T19S-R34E		8. Well Name and No. Mescalero 29 Federal Com No. 3
		9. API Well No. 30-025-36488
		10. Field and Pool, or Exploratory Area Quail Ridge; Morrow
		11. County or Parish, State Lea County, NM

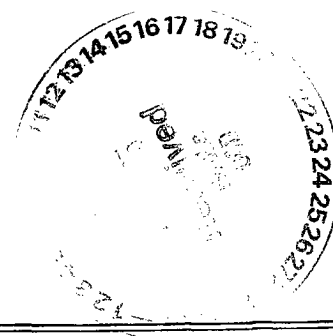
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Due to rig design, instead of a hard-piped choke line, Gruy will use a 4-1/6" X 10,000 psi working pressure flexible choke line.

Please see attached choke line diagram and product specification sheet.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Natalie Krueger		Title Reg Tech
Signature <i>Natalie Krueger</i>		Date October 3, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (DRUG SGD.) DAVID R. GLASS	PETROLEUM ENGINEER	Date OCT 04 2005
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <i>KZ</i>

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.

(Instructions on reverse)

DRILLING OPERATIONS
CHOKE MANIFOLD
SM SERVICE

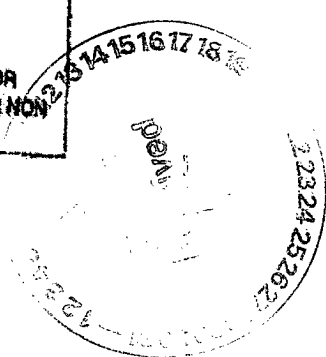
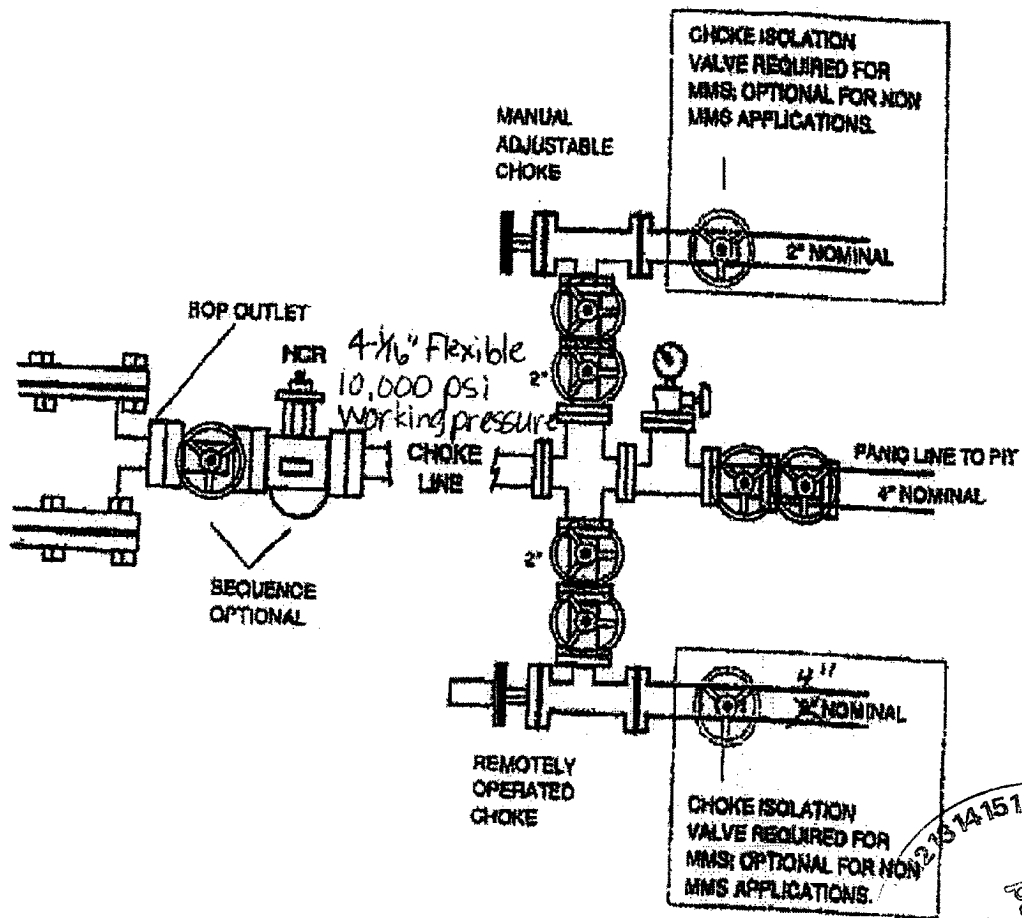


Exhibit E-1 – Choke Manifold Diagram
Mescalero 29 Federal Com No. 3
Gruy Petroleum Management Co.
1650' FSL & 1650' FEL
Sec. 29-T19S-R34E
Lea County, NM



Midwest Hose
& Specialty, Inc.

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium components. The reinforcement cables, inner liner and cover are made of the highest quality material to handle the tough drilling applications of today's industry. The end connections are available with API flanges, API male threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermiculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:	5,000 or 10,000 psi working pressure
Test Pressure:	10,000 or 15,000 psi test pressure
Reinforcement:	Multiple steel cables
Cover:	Stainless Steel Armor
Inner Tube:	Petroleum resistant, Abrasion resistant
End Fitting:	API flanges, API male threads, threaded or butt weld hammer unions, unbolt and other special connections
Maximum Length:	110 Feet
ID:	2-1/2", 3", 3-1/2", 4"
Operating Temperature:	-22 deg F to +180 deg F (-30 deg C to +82 deg C)

