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|---|---------------------------------------|-------------------------------|
| 1. Operator Name and Address GRUY PETROLEUM MANAGEMENT CO., LLC 1046 TEXAN TRAIL GRAPEVINE, NM 76051 | | 2. OGRID Number 260972 |
| | | 3. API Number 30-015-36690 |
| 4. Property Code 37400 | 5. Property Name GRUY 32 STATE COM | 6. Well No. 002 |

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot E | Section 32 | Township 16S | Range 30E | Lot Idn E | Feet From 1550 | N/S Line N | Feet From 710 | E/W Line W | County EDDY |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

| | |
|-------------------------|-------|
| HENSHAW; MORROW, SW (G) | 97149 |
|-------------------------|-------|

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|---|-----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3713 |
| 14. Multiple N | 15. Proposed Depth 11200 | 16. Formation Morrow | 17. Contractor | 18. Spud Date 11/15/2008 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 500 | 450 | 0 |
| Intl | 12.25 | 9.625 | 40 | 3200 | 890 | 0 |
| Prod | 8.75 | 5.5 | 17 | 11200 | 1220 | 2700 |

Complete casing, cementing, BOP and mud details will be e-mailed directly to Kimberly Wilson

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 5000 | 1500 | |
| DoubleRam | 5000 | 3000 | |

2010 RELEASE UNDER E.O. 14176

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-102
Permit 82955

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|---|
| 1. API Number 30-015-36690 | 2. Pool Code 97149 | 3. Pool Name HENSHAW; MORROW, SW (G) |
| 4. Property Code 37400 | 5. Property Name GRUY 32 STATE COM | 6. Well No. 002 |
| 7. OGRID No. 260972 | 8. Operator Name GRUY PETROLEUM MANAGEMENT CO., LLC | 9. Elevation 3713 |

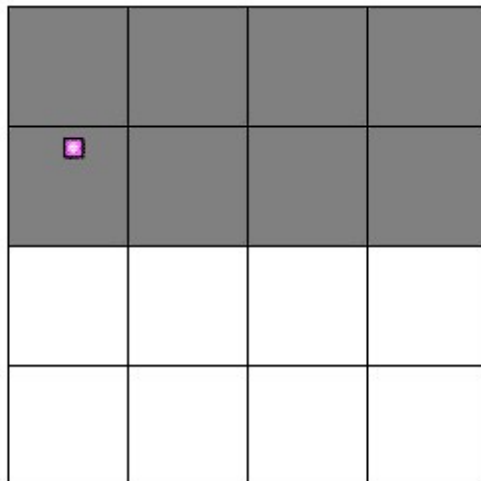
10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot E | Section 32 | Township 16S | Range 30E | Lot Idn | Feet From 1550 | N/S Line N | Feet From 710 | E/W Line W | County 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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Sherry Carroll
Title:
Date: 10/5/2008

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.

Surveyed By: Gary Jones
Date of Survey: 8/11/2008
Certificate Number: 7977

Permit Comments

Operator: GRUY PETROLEUM MANAGEMENT CO., LLC , 260972

Well: GRUY 32 STATE COM #002

API: 30-015-36690

| Created By | Comment | Comment Date |
|------------|--|--------------|
| dhawthorne | Gruy Petroleum does not anticipate that there will be enough H2S from the surface to TD to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of this test | 10/5/2008 |