

DATE IN 4-29-02	SUSPENSE 5-14-02	ENGINEER MES	LOGGED IN MES	TYPE NSL	APP NO. PMESD-213429813
--------------------	---------------------	-----------------	------------------	-------------	----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] ☐ Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☒ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

Signature

Attorney for Applicant

Title

Date

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

jamesbruc@aol.com
 e-mail Address

02 APR 29 PM 1:53
 OIL CONSERVATION DIV

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 19, 2002

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F, Gruy Petroleum Management Co. ("Gruy") applies for ~~administrative approval~~ of unorthodox gas well locations, and simultaneous dedication, for the following wells:

Well: White Baby Com. Well No. 3
Location: 1980 feet FSL & 660 feet FEL

Well: White Baby Com. Well No. 4
Location: 990 feet FNL & FWL

Unit: All of Section 16, Township 24 South, Range 26
East, N.M.P.M., Eddy County, New Mexico

The wells will be drilled to test the Pennsylvanian formation (White City-Pennsylvanian Gas Pool). Under Order No. R-2429-A, spacing in the pool is 640 acres, with wells to be no closer than 1650 feet to the outer boundary of the well unit nor closer than 330 feet to a quarter-quarter section line. Form C-102's for the wells are attached as Exhibit A-1 and A-2. The proposed wells will be the third and fourth wells on the unit.

The application is based on geologic and engineering reasons. Attached as Exhibit B is a structure/production plat of the area. The proposed wells are at reasonable structural positions, and move away from the existing No. 2 well, which is a poor producer. Applicant also hopes to hit zones not producing in the existing wells in Section 16, thus increasing the chances for commercial wells.

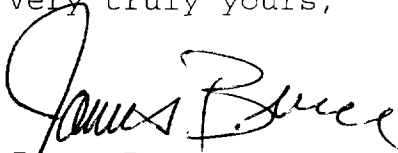
Exhibit B also contains data on offset operators. The operators are as follows:

<u>Well Unit</u>	<u>Operator</u>
Section 8:	Wadi Petroleum, Inc.
Section 9:	Wadi Petroleum, Inc.
Section 10:	Gruy ¹
Section 15:	Wadi Petroleum, Inc.
Section 17:	Wadi Petroleum, Inc.
Section 20:	Chevron Texaco Inc.
Section 21:	Gruy
Section 22:	Wadi Petroleum, Inc.

Wadi Petroleum, Inc. has waived objection to the unorthodox locations and simultaneous dedication, and a copy of its waiver letter is attached as Exhibit C. Notice of this application, as to simultaneous dedication only, has been given to Chevron Texaco Inc. (it does not offset the unorthodox locations). A copy of the notice letter is attached as Exhibit D.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Gruy Petroleum Management Co.

¹Gruy has purchased the interests of Mallon Oil Company, which is shown as operator on the plat.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 87280	Pool Name White City; Penn. (Gas)
Property Code	Property Name White Baby Com	Well Number 3
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3359'

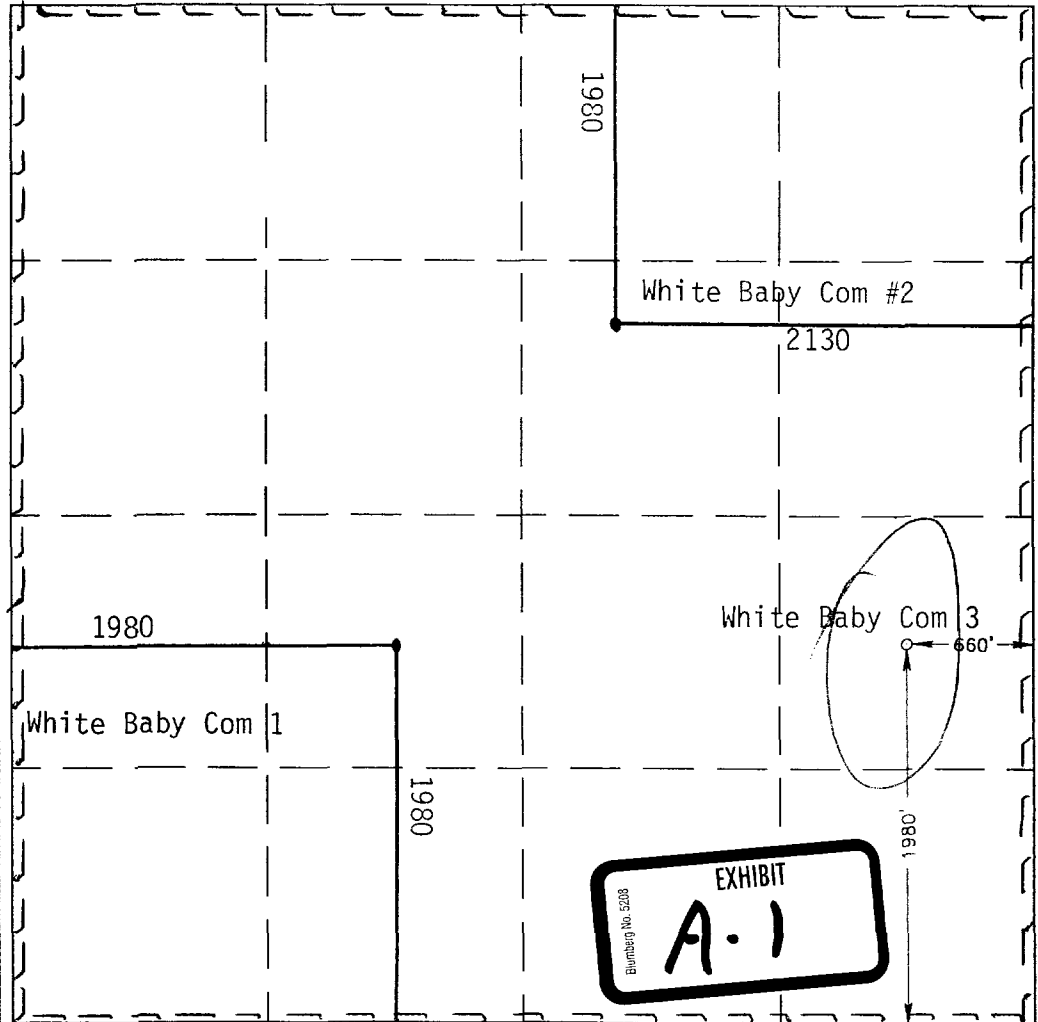
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	16	24-S	26-E		1980	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 640	Joint or Infill Y	Consolidation Code C	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i></p> <p>Signature Zeno Farris Printed Name Manager, Operations Admin. Title 2/13/02 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 31, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
--	---

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
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 87280	Pool Name White City; Penn. (Gas)
Property Code	Property Name White Baby Com	Well Number 4
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation

Surface Location

UL or lot No. D	Section 16	Township 24-S	Range 26-E	Lot Idn	Feet from the 990'	North/South line North	Feet from the 990'	East/West line West	County EDDY
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------

Bottom Hole Location If Different From Surface

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

Dedicated Acres 640	Joint or Infill Y	Consolidation Code C	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

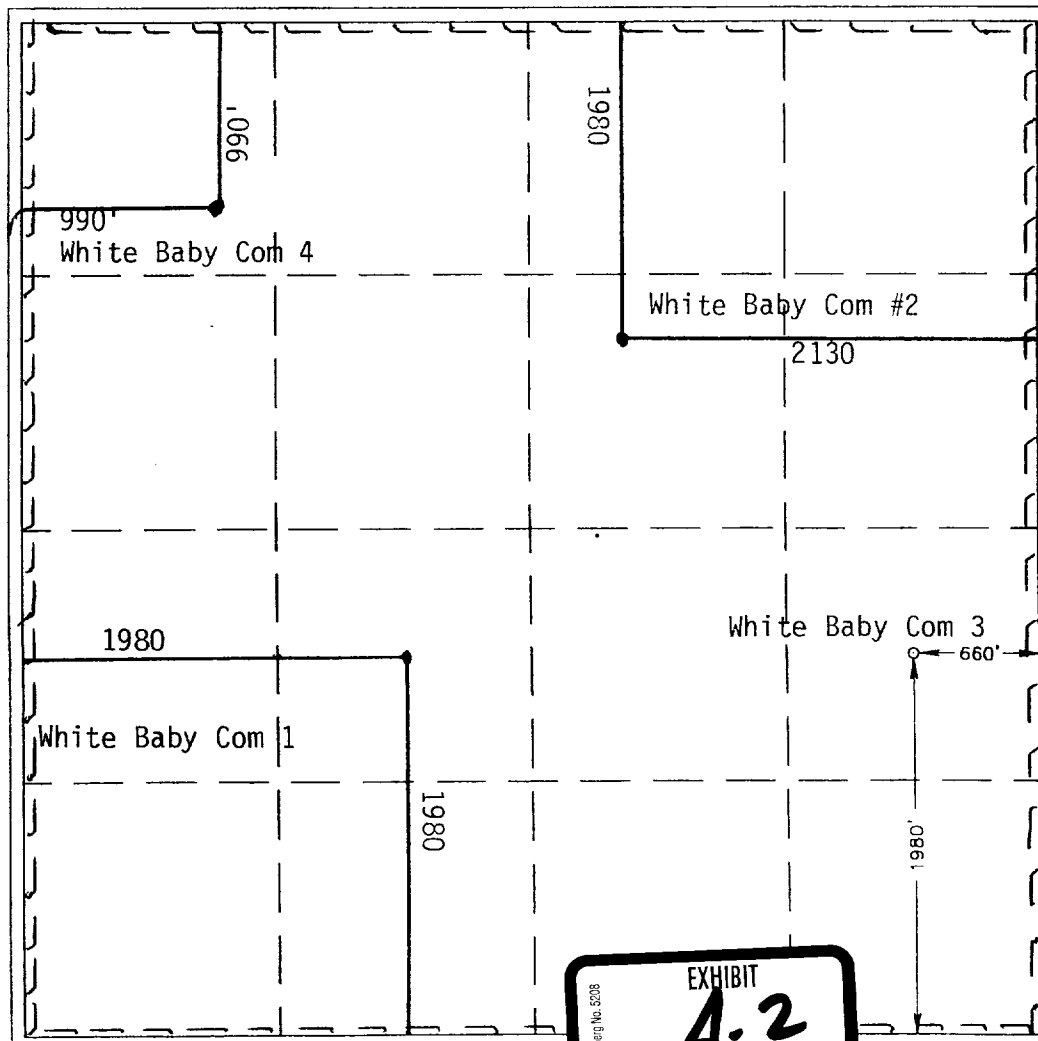
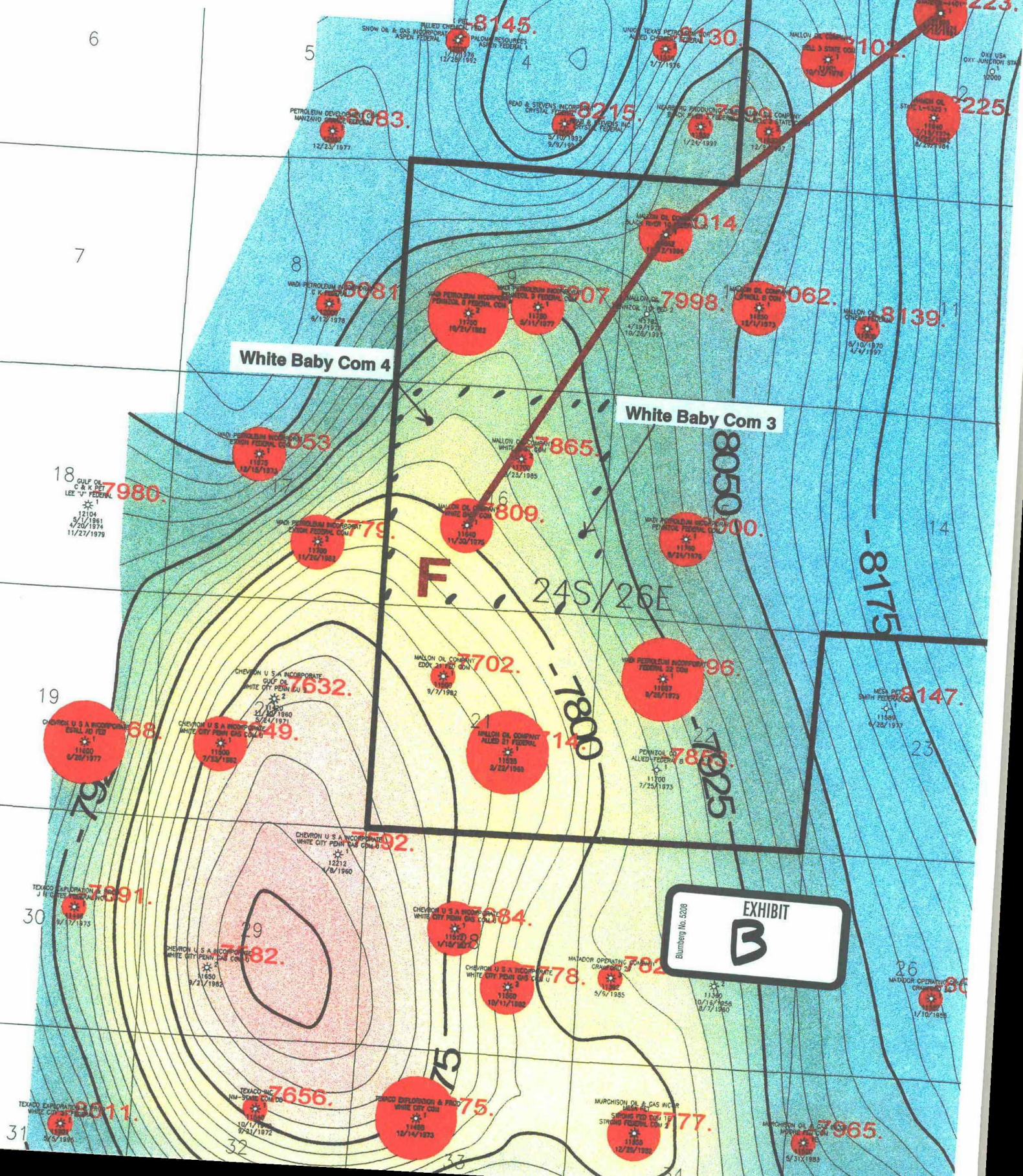
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature Zeno Farris Printed Name Manager, Operations Admin. Title 2/13/02 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby 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.</p> <p>JANUARY 31, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 02.11.0093 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641</p>
--	--

EXHIBIT
A-2

**South Carlsbad / White City
Structure – Top Morrow B2d
Eddy County, New Mexico**



**Gruy Petroleum Management Co.**

600 East Las Colinas Blvd. • Suite 1200 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

April 22, 2002

Wadi Petroleum, Inc.
14405 Watkins Rd. Suite 400
Houston, Texas 77014
Attn: Mr. Kevin B. Dice

Re: Application of Gruy Petroleum Management Co. Simultaneous Dedication and Unorthodox Well Locations for White Baby Com 3 & 4 wells Section 16, T24S, R26E, Lea County New Mexico

Dear Mr. Dice:

Gruy Petroleum Management Co. has applied to the New Mexico Oil Conservation Division for Simultaneous Dedication and Unorthodox well locations, in the White City Penn (Gas) Field, for the referenced leasehold. The proposed White Baby Com 3 will be located 1980' FSL and 660' FEL of section 16, and the White Baby Com 4 will be located 990' FNL and 990' FWL of section 16. Enclosed, please find a copy of the C-101 and C-102 for these locations.

If you have any questions please feel free to call me at (972-443-6489).

Sincerely,

Zeno Farris
Manager, Operations Administration

The undersigned has no objection to the application referenced above.

Wadi Petroleum, Inc.

By: _____

Kevin B. Dice

Date: _____

4/23/02



JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 25, 2002

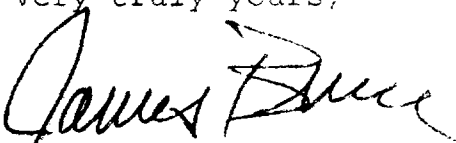
**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Chevron Texaco Inc.
15 Smith Road
Claydesta Plaza
Midland, Texas 79705

Ladies and Gentlemen:

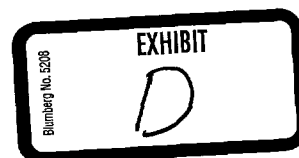
Enclosed is a copy of an application, filed with the Oil Conservation Division by Gruy Petroleum Management Co., requesting administrative approval of simultaneous dedication in the White City-Pennsylvanian Gas Pool in Section 16, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Gruy Petroleum Management Co.



: 1 Document Name: untitled

JMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/13/02 13:54:09
OGOMES -TQCA
PAGE NO: 1

Sec : 16 Twp : 24S Rng : 26E Section Type : NORMAL

D	C	B	A
40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 C	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 C	40.00 CS L03652 0002 MALLON OIL CO C 10/21/79 C	40.00 CS L01110 0002 MALLON OIL CO C 08/20/78 C
E	F	G	H
40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 C	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 A	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 P	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Date: 5/13/2002 Time: 01:54:25 PM

1 Document Name: untitled

JMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/13/02 13:54:14
OGOMES -TQCA
PAGE NO: 2

Sec : 16 Twp : 24S Rng : 26E Section Type : NORMAL

L	K	J	I
40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 C	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74 P	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74	40.00 CS L03652 0002 MALLON OIL CO C 10/21/79
M	N	O	P
40.00 CS L01110 0002 MALLON OIL CO C 08/20/78 C	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74	40.00 CS K04540 0003 MALLON OIL CO C 11/17/74

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Date: 5/13/2002 Time: 01:54:29 PM

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

05/13/02 13:55:57
OGOMES -TQCA

API Well No : 30 15 24972 Eff Date : 09-01-2001 WC Status : A
Pool Idn : 87280 WHITE CITY;PENN (GAS)
OGRID Idn : 162683 GRUY PETROLEUM MANAGEMENT CO.
Prop Idn : 29013 WHITE BABY COM

Well No : 002
GL Elevation: 3403

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : G 16 24S 26E FTG 1690 F N FTG 2130 F E P
Lot Identifier:
Dedicated Acre: 640.00
Lease Type : S
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OG6ACRE
ONGARD
C102-DEDICATE ACREAGE

05/13/02 13:56:03
OGOMES -TQCA
Page No : 1

API Well No : 30 15 24972 Eff Date : 04-30-1991
Pool Idn : 87280 WHITE CITY;PENN (GAS)
Prop Idn : 29013 WHITE BABY COM
Spacing Unit : 27748 OCD Order :
Sect/Twp/Rng : 16 24S 26E Acreage : 640.00 Revised C102? (Y/N) :
Dedicated Land:

S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

A	16	24S	26E	40.00	N	ST
B	16	24S	26E	40.00	N	ST
C	16	24S	26E	40.00	N	ST
D	16	24S	26E	40.00	N	ST
E	16	24S	26E	40.00	N	ST
F	16	24S	26E	40.00	N	ST
G	16	24S	26E	40.00	N	ST
H	16	24S	26E	40.00	N	ST
I	16	24S	26E	40.00	N	ST

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6ACRE

ONGARD
C102-DEDICATE ACREAGE

05/13/02 13:56:06
OGOMES -TQCA
Page No : 2

API Well No : 30 15 24972 Eff Date : 04-30-1991
Pool Idn : 87280 WHITE CITY,PENN (GAS)
Prop Idn : 29013 WHITE BABY COM
Spacing Unit : 27748 OCD Order :
Sect/Twp/Rng : 16 24S 26E Acreage : 640.00 Well No : 002
Dedicated Land: Simultaneous Dedication:
Revised C102? (Y/N) :

S	Base U/L	Sec	Twp	Rng	Acreage	L/W Ownership Lot Idn

J	16	24S	26E		40.00	N ST
K	16	24S	26E		40.00	N ST
L	16	24S	26E		40.00	N ST
M	16	24S	26E		40.00	N ST
N	16	24S	26E		40.00	N ST
O	16	24S	26E		40.00	N ST
P	16	24S	26E		40.00	N ST

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

ONGARD

05/13/02 13:56:18

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL

OGOMES -TQCA
Page No: 1

OGRID Identifier : 13925 MALLON OIL CO
Pool Identifier : 87280 WHITE CITY;PENN (GAS)
API Well No : 30 15 24972 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 24972	WHITE BABY COM	01 00 31	6682	6 F
30 15 24972	WHITE BABY COM	02 00 29	6006	9 F
30 15 24972	WHITE BABY COM	03 00 31	6670	6 F
30 15 24972	WHITE BABY COM	04 00 30	6732	6 F
30 15 24972	WHITE BABY COM	05 00 31	6415	F
30 15 24972	WHITE BABY COM	06 00 30	6535	39 F
30 15 24972	WHITE BABY COM	07 00 31	6230	10 F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/Well

05/13/02 13:56:27
OGOMES -TQCA
Page No: 2

OGRID Identifier : 13925 MALLON OIL CO
Pool Identifier : 87280 WHITE CITY,PENN (GAS)
API Well No : 30 15 24972 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 24972	WHITE BABY COM	08 00 31	6238	6 F
30 15 24972	WHITE BABY COM	09 00 30	5760	F
30 15 24972	WHITE BABY COM	10 00 31	6064	12 F
30 15 24972	WHITE BABY COM	11 00 30	5672	F
30 15 24972	WHITE BABY COM	12 00 31	6076	96 F
30 15 24972	WHITE BABY COM	01 01 31	5843	12 F
30 15 24972	WHITE BABY COM	02 01 28	5313	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
 OGIIPRD INQUIRE PRODUCTION BY POOL/WELL

05/13/02 13:56:29
 OGOMES -TQCA
 Page No: 3

OGRID Identifier : 13925 MALLON OIL CO
 Pool Identifier : 87280 WHITE CITY;PENN (GAS)
 API Well No : 30 15 24972 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 24972	WHITE BABY COM	03 01 31	5882	21 F
30 15 24972	WHITE BABY COM	04 01 30	5608	6 F
30 15 24972	WHITE BABY COM	05 01 31	5741	3 F
30 15 24972	WHITE BABY COM	06 01 30	5525	F
30 15 24972	WHITE BABY COM	07 01 31	5543	F
30 15 24972	WHITE BABY COM	08 01 31	5652	F

Reporting Period Total (Gas, Oil) : 120187 232

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD : ONGARD 05/13/02 13:56:43
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQCA

API Well No : 30 15 21419 Eff Date : 09-01-2001 WC Status : A
Pool Idn : 87280 WHITE CITY,PENN (GAS)
OGRID Idn : 162683 GRUY PETROLEUM MANAGEMENT CO.
Prop Idn : 29013 WHITE BABY COM

Well No : 001
GL Elevation: 3415

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	:	K	16	24S	26E	FTG 1980 F S FTG 1980 F W	P
Lot Identifier:							
Dedicated Acre:	640.00						
Lease Type	:	S					
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GOTO	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD
OG6ACRE C102-DEDICATE ACREAGE

05/13/02 13:56:47
OGOMES -TQCA
Page No : 1

API Well No : 30 15 21419 Eff Date : 04-30-1991
Pool Idn : 87280 WHITE CITY;PENN (GAS)
Prop Idn : 29013 WHITE BABY COM
Spacing Unit : 27748 OCD Order :
Sect/Twp/Rng : 16 24S 26E Acreage : 640.00 Revised C102? (Y/N) :
Dedicated Land:

S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

A	16	24S	26E	40.00	N	ST	
B	16	24S	26E	40.00	N	ST	
C	16	24S	26E	40.00	N	ST	
D	16	24S	26E	40.00	N	ST	
E	16	24S	26E	40.00	N	ST	
F	16	24S	26E	40.00	N	ST	
G	16	24S	26E	40.00	N	ST	
H	16	24S	26E	40.00	N	ST	
I	16	24S	26E	40.00	N	ST	

E0005: Enter data to modify or PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD
OG6ACRE C102-DEDICATE ACREAGE

05/13/02 13:56:49
OGOMES -TQCA
Page No : 2

API Well No : 30 15 21419 Eff Date : 04-30-1991
Pool Idn : 87280 WHITE CITY;PENN (GAS)
Prop Idn : 29013 WHITE BABY COM
Spacing Unit : 27748 OCD Order :
Sect/Twp/Rng : 16 24S 26E Acreage : 640.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
J	16	16	24S	26E	40.00	N	ST		
K	16	16	24S	26E	40.00	N	ST		
L	16	16	24S	26E	40.00	N	ST		
M	16	16	24S	26E	40.00	N	ST		
N	16	16	24S	26E	40.00	N	ST		
O	16	16	24S	26E	40.00	N	ST		
P	16	16	24S	26E	40.00	N	ST		

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL

05/13/02 13:56:56
OGOMES -TQCA
Page No: 1

OGRID Identifier : 13925 MALLON OIL CO
Pool Identifier : 87280 WHITE CITY,PENN (GAS)
API Well No : 30 15 21419 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 21419	WHITE BABY COM	01 00 31	1103	F
30 15 21419	WHITE BABY COM	02 00 29	1042	F
30 15 21419	WHITE BABY COM	03 00 31	1158	F
30 15 21419	WHITE BABY COM	04 00 30	1151	F
30 15 21419	WHITE BABY COM	05 00 31	1313	F
30 15 21419	WHITE BABY COM	06 00 30	1186	F
30 15 21419	WHITE BABY COM	07 00 31	1268	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
 OG6IPRD
 INQUIRE PRODUCTION BY POOL/WELL

05/13/02 13:56:59
 OGMES -TQCA
 Page No: 2

OGRID Identifier : 13925 MALLON OIL CO
 Pool Identifier : 87280 WHITE CITY,PENN (GAS)
 API Well No : 30 15 21419 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 21419	WHITE BABY COM	08 00 31	1248	F
30 15 21419	WHITE BABY COM	09 00 30	1261	F
30 15 21419	WHITE BABY COM	10 00 31	1143	F
30 15 21419	WHITE BABY COM	11 00 30	1148	F
30 15 21419	WHITE BABY COM	12 00 31	1118	F
30 15 21419	WHITE BABY COM	01 01 31	999	F
30 15 21419	WHITE BABY COM	02 01 28	991	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL

05/13/02 13:57:00
OGOMES -TQCA
Page No: 3

OGRID Identifier : 13925 MALLON OIL CO
Pool Identifier : 87280 WHITE CITY;PENN (GAS)
API Well No : 30 15 21419 Report Period - From : 01 2000 To : 03 2002

API Well No	Property Name	Prodn. Days		Production Volumes			Well Stat
		MM/YY	Prod	Gas	Oil	Water	
30 15 21419	WHITE BABY COM	03 01	31	1229			F
30 15 21419	WHITE BABY COM	04 01	30	1022			F
30 15 21419	WHITE BABY COM	05 01	31	1020			F
30 15 21419	WHITE BABY COM	06 01	30	971			F
30 15 21419	WHITE BABY COM	07 01	31	1069			F
30 15 21419	WHITE BABY COM	08 01	31	1001			F

Reporting Period Total (Gas, Oil) : 22441 39

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

Zeno Farris Phone 972-443-6489 Fax 469-420-2710

Grady Petroleum
Management Co.
P.O. Box 14907
Irving, TX 75014-0907

zfarris@magnumhunter.com

Fax

To:	Mr. Michael Stogner	From:	Zeno Farris
Fax:	505-476-3471	Pages:	3
Phone:	505-476-3465	Date:	5/13/02
Re:	White Baby Com 3	CC:	

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Mike attached is our letter and Waiver of Objection from Wadi regarding the White Baby Com 3. Per our discussion, we would like to proceed with drilling this well as a replacement well. Bryan with the OCD in Artesia will approve our permit with a NSL from Santa Fe. Jim Bruce had talked to you during the week of the 22 of April about this. Thanks for your consideration.

Zeno Farris

**Gruy Petroleum Management Co.**

600 East Las Colinas Blvd. • Suite 1100 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 401-3450

Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A subsidiary of Magnum Hunter Resources, Inc. • An American Stock Exchange Company • "A" listing

469-420-2110

May 13, 2002

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Michael Stogner

Re: Application for Unorthodox Location
& Simultaneous Dedication
White Baby Com 3, White City Penn Gas Pool
~~Sec 15-24S-26E~~
Eddy County New Mexico

Dear Mr. Stogner:

Gruy Petroleum Management Co. has recently applied for an unorthodox location and simultaneous dedication for the White Baby Com 3 well. The White City Penn Field Rules call for 1650 set backs, and no more than two producible wells per 640. Gruy respectfully request to proceed with the drilling of this well as a replacement well for the White Baby Com 1, currently producing approximately 40 mcf per day. Upon drilling and completing the White Baby Com 3 well, we will proceed to shut-in and TA the White Baby Com 1 well, absent an order from NMOCd for simultaneous dedication. On March 7, 2002 we applied for a permit to drill the White Baby Com 3 with the OCD in Artesia. Mr. Bryan Arrant has indicated he will approve the permit for the White Baby Com 3 if a NSL is written for the unorthodox location. Please refer to the attached "Waiver of Objection" from Wadi Petroleum for simultaneous dedication and unorthodox well location for the White Baby Com 3 and 4. An NSL for the White Baby Com 4 is not being requested at this time.

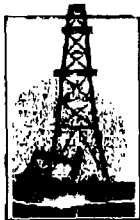
The impetus for this request is to provide a location for our rig, which is currently drilling at 11,000, with a projected TD of 12,000. We have several wells scheduled for this rig and are trying to avoid down time charges. Any assistance you can provide concerning this matter will be appreciated.

If you have any questions, or require additional information, please feel free to contact the undersigned at 972-443-6489.

Sincerely,

A handwritten signature in cursive script that reads "Zeno Farris". The signature is written in dark ink and is positioned above the printed name.

Zeno Farris
Manager, Operations Administration

**Gruy Petroleum Management Co.**

600 East Las Colinas Blvd. • Suite 1200 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

April 22, 2002

Wadi Petroleum, Inc.
14405 Watkins Rd. Suite 400
Houston, Texas 77014
Attn: Mr. Kevin B. Dice

Re: Application of Gruy Petroleum Management Co. Simultaneous Dedication and Unorthodox Well Locations for White Baby Com 3 & 4 wells Section 16, T24S, R26E, Lea County New Mexico

Dear Mr. Dice:

Gruy Petroleum Management Co. has applied to the New Mexico Oil Conservation Division for Simultaneous Dedication and Unorthodox well locations, in the White City Penn (Gas) Field, for the referenced leasehold. The proposed White Baby Com 3 will be located 1980' FNL and 660' FEL of section 16, and the White Baby Com 4 will be located 990' FNL and 990' FVL of section 16. Enclosed, please find a copy of the C-101 and C-102 for these locations.

If you have any questions please feel free to call me at (972-443-6489).

Sincerely,

Zeno Farris
Manager, Operations Administration

The undersigned has no objection to the application referenced above.

Wadi Petroleum, Inc.

By: _____

Kevin B. Dice

Date: _____

4/23/02

* P.01 *
* TRANSACTION REPORT *
* MAY 13-02 MON 01:10 PM *
*
* DATE START SENDER RX TIME PAGES TYPE NOTE *
*
* MAY-13 12:48 PM 4694202710 55" 3 RECEIVE (M) JAM → OK (3p) *
*
