

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
N.M. Oil Cons. DIV-Dist. 2  
1801 W. Grand Avenue  
Artesia, NM 88210

FORM 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  
☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED

2. Name of Operator  
Gruy Petroleum Management Co.

JUN 24 2004

3a. Address  
P.O. Box 140907 Irving, TX 75014-0907

3b. Phone No. (include area code)  
972.401.3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL: 2270' FNL & 380' FEL Sec 19-T24S-R26E  
BHL: 1350' FNL & 1200' FEL Sec 19-T24S-R26E

5. Lease Serial No.

NMLC 065347

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Estill AD Federal No. 2

9. API Well No.

30-015-33336

10. Field and Pool, or Exploratory Area

White City Penn; (Gas)

11. County or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Other Set surface & intermediate casing
	<input 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 recomplete 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 recompletion 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.)

05-16-04 Spud 17-1/2" hole at 6:30am CDT.

05-17-04 Ran 13-3/8" casing to 352.' Cemented with lead 200 sx Premium Plus + 4% Gel + 2% CaCl + 1/4# Flocele. Cemented tail 150 sx Premium Plus + 2% CaCl. Plugged down and bumped with 400#. Circulated 94 sx to pit. WOC 18.25 hrs.

05-22-04 Ran 9-5/8" casing to 1567.' Cemented lead 70 sx Class "C" + 4% Gel + 2% CaCl + 1/4# Flocele per sx. Cemented tail 100 sx Thixotropic (Prem Plus, 10# Cal-Seal, 10# Gilsonite, 1/2# Flocele, 2% CaCl per sx. Plugged down and bumped with 830#. No returns. Cemented second stage lead 260 sx Interfill "C" + 1/4# Flocele per sx. Cemented tail 150 sx Class "C" + 2% CaCl. Plugged down and closed DV tool with 1350.# No returns. Ran temperature survey. TOC at 568.' Cemented down back side with 230 sx Class "C" + 2% CaCl. No returns. WOC 2 hrs. Cemented down back side with 120 sx Class "C" + 4% CaCl. No returns. Cemented down back side with 100 sx Class "C" + 2% CaCl - no returns. WOC 2 hrs. Cemented down back side with 100 sx Class "C" + 2% CaCl - no returns. WOC 2 hrs & cemented down back side with 88 sx Class "C" + 3% CaCl - circulated cement to surface. WOC 19.75 hrs.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Natalie Krueger

Title

Production Assistant

Signature

Date

June 2, 2004

ACCEPTED FOR RECORD

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

JUN 22 2004

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

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

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)

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

May 16, 2004 Thru May 23, 2004

### OPERATED

#### CARLSBAD SOUTH

##### GRUY PETROLEUM MANAGEMENT CO

77297 ESTILL AD FEDERAL #2

EDDY, NM

Sec 19 T24S, R26E

W.I. Pct BCP 100.00 %

W.I. Pct ACP 100.00 %

Morrow / 12,000'

05/16/2004                      Depth                      103  
Progress                      103  
AFE:                      24107                      Present Operation: Prep to Spud

Location staked by John West Surveying Co. on 1/26/2004 - 2,270' FNL & 380' FEL of Sec. 19 T-24-S R-26-E in Eddy County, New Mexico. B&H Construction built location, road & pits on 4/26/04 to 4/30/04. Auger Air Drilling set 20" conductor pipe at 80' FGL & cemented with 12 yds. ready mix cement - dug rat & mouse holes on 4/30 to 5/6/2004. Akome, Inc. plastic lined cuttings pit on 5/8/04 - JWS put fresh water in cuttings pit to hold down the plastic on 5/8/04. MIRU Patterson-UTI Rig # 75 on 5/15/04. Welded flow nipple onto conductor pipe - mixed spud mud - preparing to spud well.

05/17/2004                      Depth                      352  
Progress                      249  
AFE:                      24107                      Present Operation: Cutting Off 20" Cond Pipe

RU Patterson-UTI Rig # 75 Drill from 103' to 186' - (Spud 17 1/2" hole at 6:30 AM (CDT) 5/16/2004) WLS @ 186' = 1o Service rig Drill from 186' to 352' TD - (Reached TD of 17 1/2" hole at 9:45 PM (CDT) 5/16/2004) Pump NP-110 sweep & circulate Drop Totco @ 352' = 1o & trip out to run 13 3/8" surface casing - LD BHR, shock sub & bit RU casing crew & ran 13 3/8" casing (See Casing Detail) RU Halliburton - circulated to clear 13 3/8" casing Halliburton cemented 13 3/8" csg. (Lead) 200 sx Premium Plus Cement + 4% Gel + 2% CaCl + 1/4# Flocele (Tail) 150 sx Premium Plus Cement + 2% CaCl - plug down & bumped with 400# at 2:13 AM (CDT) 5/17/04 - circulated 94 sx cement to pit - Paul Swartz w/ the BLM witnessed entire job RD Halliburton - WOC & cut off 20" conductor pipe

05/18/2004                      Depth                      655  
Progress                      303  
AFE:                      24107                      Present Operation: Drlg

Cut off 13 3/8" casing & weld on a 13 3/8" SO X 13 5/8" 3,000# Braden Head & test to 500# - OK NU BOP & choke manifold Test BOP blind rams & choke manifold to 1,200# with rig pump - OK PU & TIH with Bit # 2, motor, BHA & 8" DC's - tagged cement at 298' Test BOP Hydril to 1,000# with rig pump - OK Drill cement, wiper plug, float collar, cement & shoe from 298' to 352' Drill from 352' to 655' (88 RPM motor - 56 RPM rotary - 25K bit wt.) - back on formation at 9:30 PM (CDT) 5/17/2004

05/19/2004                      Depth                      1,156  
Progress                      501  
AFE:                      24107                      Present Operation: Drlg

Drill from 655' to 809' (88 RPM motor - 56 RPM rotary - 25K bit wt.) WLS @ 757' = 5 1/2o Service rig Drill from 809' to 904' (88 RPM motor - 56 RPM rotary - 10K bit wt.) WLS @ 858' = 6 3/4o Drill from 904' to 916' (88 RPM motor - 56 RPM rotary - 10K bit wt.) Drop Totco (new 7o instrument) @ 858' = 7 1/4o - trip out & change BHA to 90' BHR & 120' IBS - checked bit & motor - OK - TIH - ran WLS with 14o instrument @ 858' = 7o Drill from 916' to 967' (88 RPM motor - 56 RPM rotary - 8 K to 10K bit wt.) - WLS @ 921' = 6 3/4o Drill from 967' to 1,030' (88 RPM motor - 56 RPM rotary - 8 K to 10K bit wt.) - WLS @ 984' = 7 1/2o Drill from 1,030' to 1,093' (88 RPM

Wednesday, 2 June, 2004

ESTILL AD FEDERAL #2

motor - 56 RPM rotary - 8 K to 10K bit wt.) - WLS @ 1,048' = 7o Drill from 1,093' to 1,156' (88 RPM motor - 56 RPM rotary - 8 K to 10K bit wt.) - hole is starting to take fluid

05/20/2004  
Depth 1,396  
Progress 240  
AFE: 24107 Present Operation: Drlg

WLS @ 1,110' = 6o Drill from 1,156' to 1,219' (88 RPM motor - 56 RPM rotary - 8 K to 10K bit wt.) - hole taking fluid - pumped LCM pills & got full returns - lost 80% returns at 1,216' Service rig Mix LCM pill Drill from 1,219' to 1,250' (88 RPM motor - 56 RPM rotary - 8 K to 10K bit wt.) - 20% returns to 100% returns after mixing LCM pills WLS @ 1,205' = 5 1/4o Drill from 1,250' to 1,272' (88 RPM motor - 56 RPM rotary - 10K bit wt.) - Lost 100% returns @ 1,272' Drill w/o returns from 1,272' to 1,396' (57 RPM motor - 56 RPM rotary - 10K bit wt.) - mixing LCM pills for a total of 3 pills - then drilling w/o returns

05/21/2004  
Depth 1,567  
Progress 171  
AFE: 24107 Present Operation: RU to Run 9-5/8" Casing

Drill w/o returns from 1,396' to 1,417' (57 RPM motor - 56 RPM rotary - 10K bit wt.) Service rig Drop Totco @ 1,362' = 5 1/4o - trip out & change BHA to 30' BHR & 60' IBS - LD motor & checked bit - OK - PU bit sub - TIH with Bit # 2 to 1,367' - no problems Wash 50' to bottom from 1,367' to 1,417' - 3' of fill - no returns Drill w/o returns from 1,417' to 1,567' (Reached TD of 12 1/4" hole at 1:45 AM (CDT) 5/21/04) Pumped & spotted a 100 Bbl. 70 Vis. pill on bottom - no returns Drop Totco @ 1,524' = 3 1/2o - trip out standing 10 stands 4 1/2" DP in the derrick RU Bull Rogers Laydown Machine & POOH LD 17 - 8" DC's, IBS, BHR & bit RU Bull Rogers Casing Crew - preparing to run 9 5/8" casing

05/22/2004  
Depth 1,567  
Progress 0  
AFE: 24107 Present Operation: WOC

Ran 9 5/8" casing (See Casing Detail) - RD casing crew & lay down machine RU Halliburton - pumped down to clear 9 5/8" casing - no returns Hall. cemented 9 5/8" csg. (Lead) 70 sx Class "C" + 4% Gel + 2 % CaCl + 1/4# Flocele per sx, (Tail) 100sx Thixotropic Cement [Prem. Plus Cmt., 10# Cal-Seal, 10# Gilsonite, 1/2# Flocele & 2% CaCl per sx] - plug down & bumped with 830# at 10:00 AM (CDT) 5/20/04 - dropped bomb - pressure up on DV Packer w/ 1,418# & pumped 20 Bbls. - packer inflated & opened DV Tool with 1,480# - pressure dropped to 170# & casing jumped - pumped 160 bbls. - no returns - checked casing by pulling 63,000# above string wt. - OK - pumped 107 bbls. - no returns - pumped 100 Bbl. viscous pill w/ LCM Hall. cemented 2nd stage (Lead) 260 sx Interfill "C" + 1/4# Flocele per sx, (Tail) 150sx Class "C" + 2% CaCl - plug down & closed DV Tool with 1,350# at 1:30 PM (CDT) 5/20/04 - no returns - RD Hall. Cement head ND & PU BOP - jet pits - WOC - Pro Wireline ran temp. survey after 8 Hrs. - TOC @ 568' DF Attempt to run 1" tbg. - couldn't get past centralizer @ 33' KB - ran 1 jt. of 1" tbg. to 30' - Hall. Cemented down back side with 230 sx Class "C" + 2% CaCl - no returns - WOC 2 Hrs. Hall. Cemented down back side w/ 120sx Class "C" + 4% CaCl - no returns - WOC 3 Hrs. Note: Paul Swartz with the BLM witnessed casing & all cementing jobs - verbal approval was given by Jim Amos with the BLM to run & set DV Packer at 1,000'

05/23/2004  
Depth 1,567  
Progress 0  
AFE: 24107 Present Operation: Preparing to Drill Cement

WOC Hall. cemented down back side w/ 100sx Class "C" + 2% CaCl - no returns - WOC 2 Hrs. Hall. cemented down back side w/ 100sx Class "C" + 2% CaCl - no returns - WOC 2 Hrs. Hall. cemented down back side w/ 88sx Class "C" + 3% CaCl - circulated cement to surface - Paul Swartz w/ the BLM witnessed all 1" cementing jobs ND & PU BOP - set 9 5/8" casing slips in 110,000# - cut off 9 5/8" casing - install a 13 5/8" 3,000# X 11" 5,000# "B" Section well head spool & test to 3,000# - OK - NU BOP & choke manifold - test BOP, choke manifold & associated equipment with Man Welding Service to 5,000# - OK - Duncan Whitlock w/ the BLM was notified, but didn't witness the tests Install wear bushing - PU & TIH with Bit # 3, bit sub, 6 - 6 3/4" DC's, X-O sub & 24 - 6 1/2" DC's - tagged up on cement at 936' KB