

600 East Las Colinas Blvd.
Suite 1100
Irving, TX 75039
972-401-3111 (phone)
469-420-2710 (fax)

RECEIVED

Gruy Petroleum Management Co

June 24, 2004

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201-2019
Attn: Mr. Armando Lopez

RE: JM Gates Federal NCT-1 No. 2
30-015-33387
Eddy Co., NM



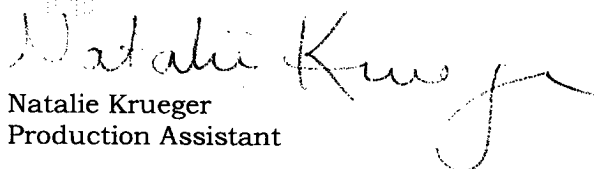
Dear Mr. Lopez,,

Please find enclosed (1) one original and (5) five copies of Form 3160-5 for the above-referenced well.

Please note that the well will be drilled by Gruy, but operations will be turned over to Chevron upon successful completion.

If you have any questions or need further information, please feel free to contact Zeno Farris at 972-443-6489.

Sincerely,


Natalie Krueger
Production Assistant

Enclosures

Cc: New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210
Attn: Mr. Bryan Arrant

Chevron USA, Inc.
Mid-Continent Business Unit
15 Smith Road
Midland, TX 79705
Attn: Denise Pinkerton/Ed Van Reet

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nkrueger@magnumhunter.com