

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

MAY 24 2004
HOB-ARTESIA

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Gruy Petroleum Management Co.
OPERATOR ADDRESS: P. O. Box 140907, Irving Tx 75014-0907
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Cottonwood Draw; Up Penn(97354)	1.090	1.087		\$123,713.15	26544
Cottonwood Draw; Morrow Wildcat	1.082	1.087		\$76,286.05	16368

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☒ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

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JUN 09 2004

HOB-ARTESIA

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Zeno Farris

TITLE: Manager, Operations Admin

DATE: 5-20-04

TYPE OR PRINT NAME Zeno Farris

TELEPHONE NO.: 972-443-6489

E-MAIL ADDRESS: zfarris@magnumhunter.com

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 30-015-32918	Pool Code 97354	Pool Name Cottonwood Draw Upper Penn
Property Code	Property Name CHOSA DRAW 27 FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3265'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	25-S	26-E		330'	NORTH	1980'	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
BG	27	25-S	26-E		1817'	NORTH	1613'	EAST	EDDY
Dedicated Acres 320	Joint or Infill N	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>RECEIVED JUN 09 2004 OCD-ARTESIA</p>	<p>Chosa Draw 27 Fed Com 1 30-015-32918 NM94840</p>	<p>Penetration Point</p>	<p>3270.9' 330' 3257.0' 1980' 3266.4' 3255.0' 1803' 1613'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained hereth is true and complete to the best of my knowledge and belief.</p> <p>Signature Zeno Farris</p> <p>Printed Name Manager, Operations Admin</p> <p>Title</p> <p>Date May 2d, 2004</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>May 02, 2003</p> <p>Date Surveyed Signature & Seal of Professional Surveyor RONALD J. EILSON 03.11.0469</p> <p>Certificate No. RONALD J. EILSON 3238 GARY EILSON 12841</p>

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

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

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Energy, Minerals and Natural Resources Department

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Santa Fe, New Mexico 87504-2088

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State Lease - 4 Copies
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-	Pool Code Pending	Pool Name Cottonwood Draw Morrow Wildcat
Property Code	Property Name CHOSA DRAW 27 FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3265'

Surface Location

UL or lot No. B	Section 27	Township 25-S	Range 26-E	Lot Idn	Feet from the 330'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. BG	Section 27	Township 25-S	Range 26-E	Lot Idn	Feet from the 1817'	North/South line NORTH	Feet from the 1613'	East/West line EAST	County EDDY
Dedicated Acres 320	Joint or Infill N	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>RECEIVED JUN 09 2004 OCD-ARTESIA</p>	<p>3270.9 330 3266.4 Penetration Point 3255.0 1980' Fee 1803' 1061' 1817' Chosa Draw 27 Fed Com 1 30-015-32918 NMNM94840 NM92160</p>	<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>Signature Zeno Farris</p> <p>Printed Name Manager, Operations Admin</p> <p>Title</p> <p>Date May 21, 2004</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>May 02, 2003</p> <p>Date Surveyed Signature & Seal of Professional Surveyor RONALD J. EDISON 03.11.0469 Certificate No. RONALD J. EDISON 3239 GARY EDISON 12641</p>