

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM 189289

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

SW 808

8. FARM OR LEASE NAME, WELL NO.

Exxon Federal Com 4

9. API WELL NO.

30-015- 33544

10. FIELD AND POOL, OR WILDCAT

White City; Penn (Gas)

11. SEC. T.R., M., BLOCK AND SURVEY

OR AREA

Sec. 17 T24S R26E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

1b. TYPE OF WELL

OIL ☐

GAS ☒

SINGLE ☐

MULTIPLE ☐

WELL

WELL

OTHER

ZONE

ZONE

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 140907 Irving TX 75014 972-401-3111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

SHL 325' FSL & 2485' FWL BHL 1200' FSL & 1400' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

17 miles South of Carlsbad

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, T.O.
(Also to nearest drlg. unit line, if any)

325'

16. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

640

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2239'

19. PROPOSED DEPTH

13000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3419 GR

CARLSBAD CONTROLLED WATER BASIN

22. APPROX. DATE WORK WILL START*

11-30-03

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2" WITNESS	J-55 13 3/8"	54.5 #	425' 400' 9/25/03	490 sx circulate
12 1/4"	J-55 9 5/8"	40 #	3200' 1900'	1200 sx circulate
7 7/8"	N-80/P-110 5 1/2"	17 #	13000'	1620 sx TOC 2700'

The proposed well will be drilled to a depth of 13000' and completed as a White City Penn; producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system. We are requesting a variance for the 13 3/8" surface casing from Onshore Order No. 2, which states all casing strings below the conductor, shall be pressure tested to .22 psi per foot or 1500 # whichever is greater, but not to exceed 70% of the manufactures stated maximum internal yield. Per onshore order 2 the 13 3/8" 54.5 # J-55 casing should be tested at 70% of its maximum internal yield of 2730 # or 1911 #. During the running of the surface pipe we do not anticipate any pressures greater than 500 #, and are requesting a variance to test the 13 3/8" casing to 500 #

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:

If proposal is to deepen, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Zeno Fourn TITLE Mgr. Ops. Admin DATE 09-10-03

(This space for Federal or State office use)

PERMIT No.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Leslie A. Theiss

TITLE FIELD MANAGER

DATE

16 JUN 2004

*See Instructions On Reverse Side

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.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

APPROVAL FOR 1 YEAR

Additional Operator Remarks

Gruy Petroleum Management Co.
Exxon Federal Com 4
Unit Letter N Section 17
T24S - R26E Eddy County, NM

- 1 Master Drilling and Surface Use Plan on file at the BLM Roswell office which includes:
 - A. Lease Responsibility Statement and bonding information.
 - B. Anticipated starting date and duration of operations.
- 2 Included in this attachment are:
 - A. Well Location and acreage dedication plat.
 - B. Supplemental Surface Use Plan. (Exhibits A, B, and C)
 - C. Supplemental Drilling Data. (Exhibits D and E)

Surface Use Plan

Gruy Petroleum Management Co.
Exxon Federal Com 4
Unit Letter N Section 17
T24S - R26E Eddy County, NM

- 1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Lea Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site as staked.
 - B. Go South of Carlsbad on Highway 62-180 for approximately 16 miles. Turn left onto access road for 1/4 mile, then right on lease rd. for 1269' to location.
- 2 PLANNED ACCESS ROADS: 1269' of new access road will be constructed.
- 4 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"
 - A. Water wells - None known
 - B. Disposal wells - None known
 - C. Drilling wells - None known
 - D. Producing wells - As shown on Exhibit "A"
 - E. Abandoned wells - As shown on Exhibit "A"

Surface Use Plan

Gruy Petroleum Management Co.
Exxon Federal Com 4
Unit Letter N Section 17
T24S - R26E Eddy County, NM

4 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands, and a few eroded areas. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface owned by The United States Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
- D. There are no known dwellings within 1 1/2 miles of this location.

5 OPERATORS REPRESENTATIVE:

Gruy Petroleum Management Company
P.O. Box 14097
Irving, TX 75014
Office Phone: (972) 443-6489
Zeno Farris

- 6 **CERTIFICATION:** I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Gruy Petroleum Management Company contractors/subcontractors in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris

DATE: 9/10/03

TITLE: Manager, Operations Administration

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	Pool Name White City; Penn (gas)
Property Code	Property Name EXXON FEDERAL COM	Well Number 4
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3419'

Surface Location

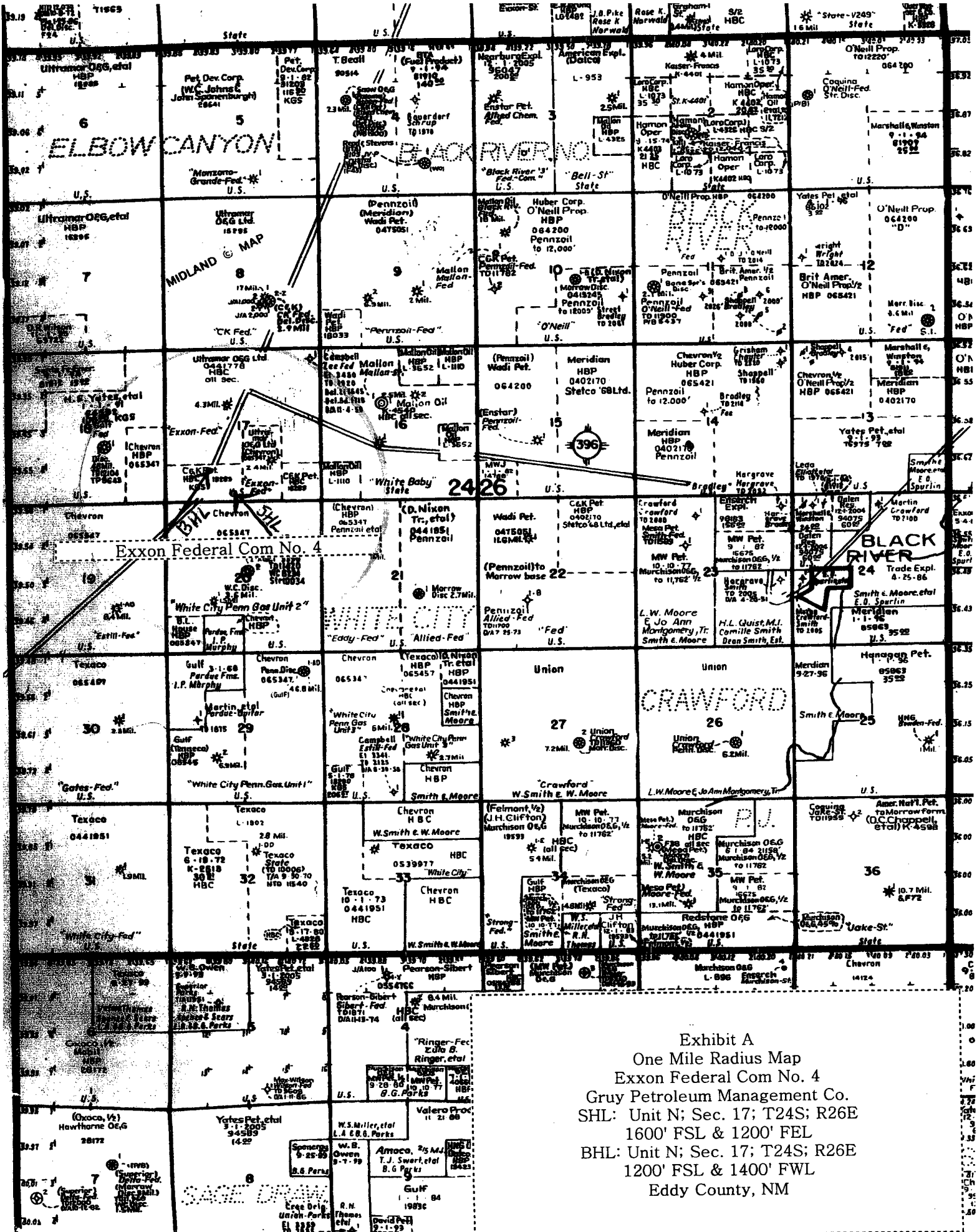
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	24-S	26-E		325'	SOUTH	2485'	WEST	EDDY

Bottom Hole Location If Different From Surface

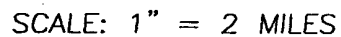
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	24-S	26-E		1280'	SOUTH	1400'	WEST	EDDY
Dedicated Acres 640	Joint or Infill Y	Consolidation Code C	Order No.						

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Xeno Farris Printed Name Manager Operations Admin Title Sept. 16, 2003 Date
	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. August 29, 2003 Date Surveyed AWB Signature & Seal of Professional Surveyor Certificate No. GARY EDSON 12841



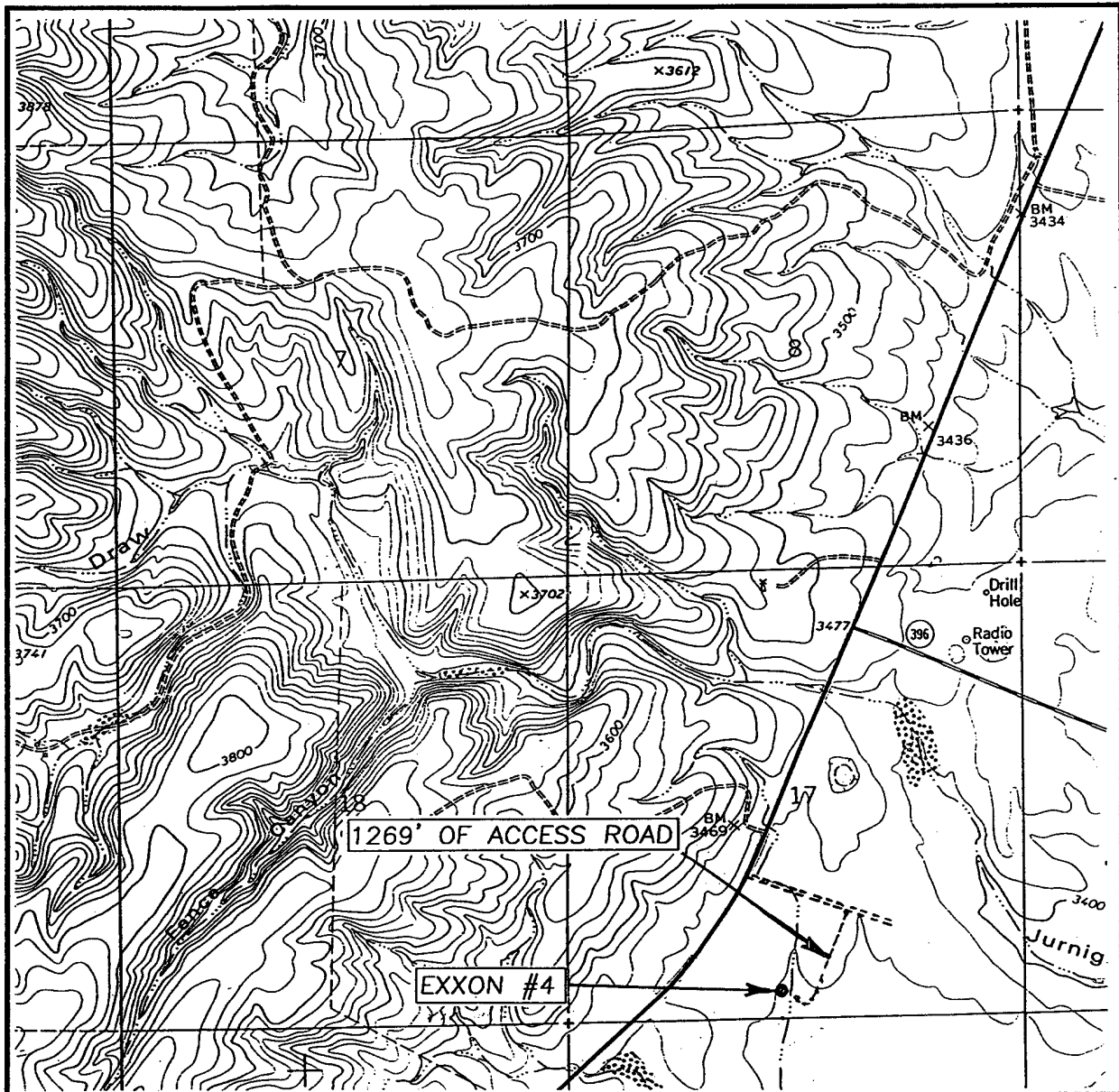
FLYING



JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

Exhibit "B"

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
BLACK RIVER VILLAGE, N.M.

SEC. 17 TWP. 24-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 325' FSL & 2485' FWL

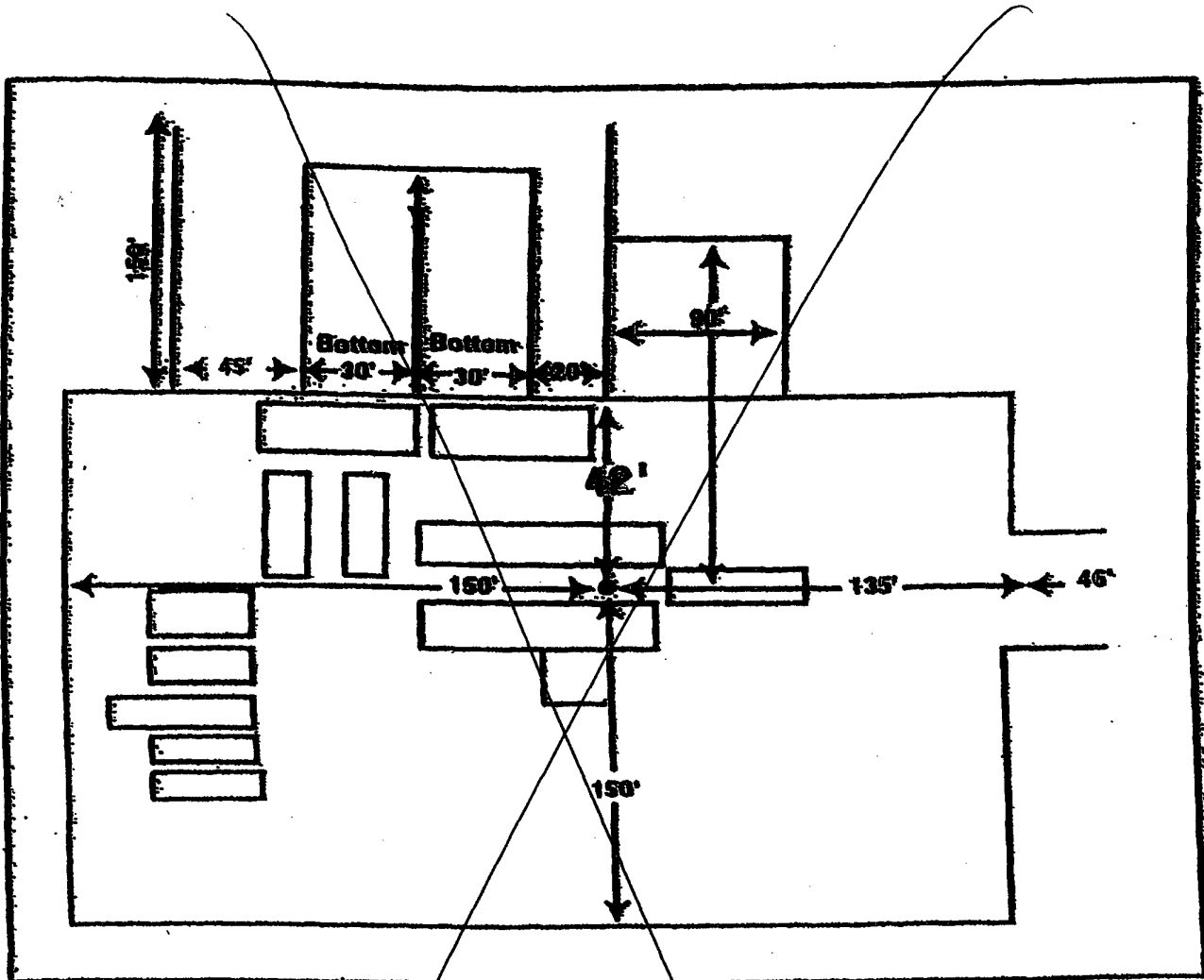
ELEVATION 3419'

OPERATOR GRUY PETROLEUM MANAGEMENT CO.

LEASE EXXON Exhibit "C"

U.S.G.S. TOPOGRAPHIC MAP
BLACK RIVER VILLAGE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117



Rig 75

Exhibit D
 Rig Layout Plan
 Exxon Federal Com No. 4
 Gruy Petroleum Management Co.
 SHL: Unit N; Sec. 17; T24S; R26E
 1600' FSL & 1200' FEL
 BHL: Unit N; Sec. 17; T24S; R26E
 1200' FSL & 1400' FWL
 Eddy County, NM

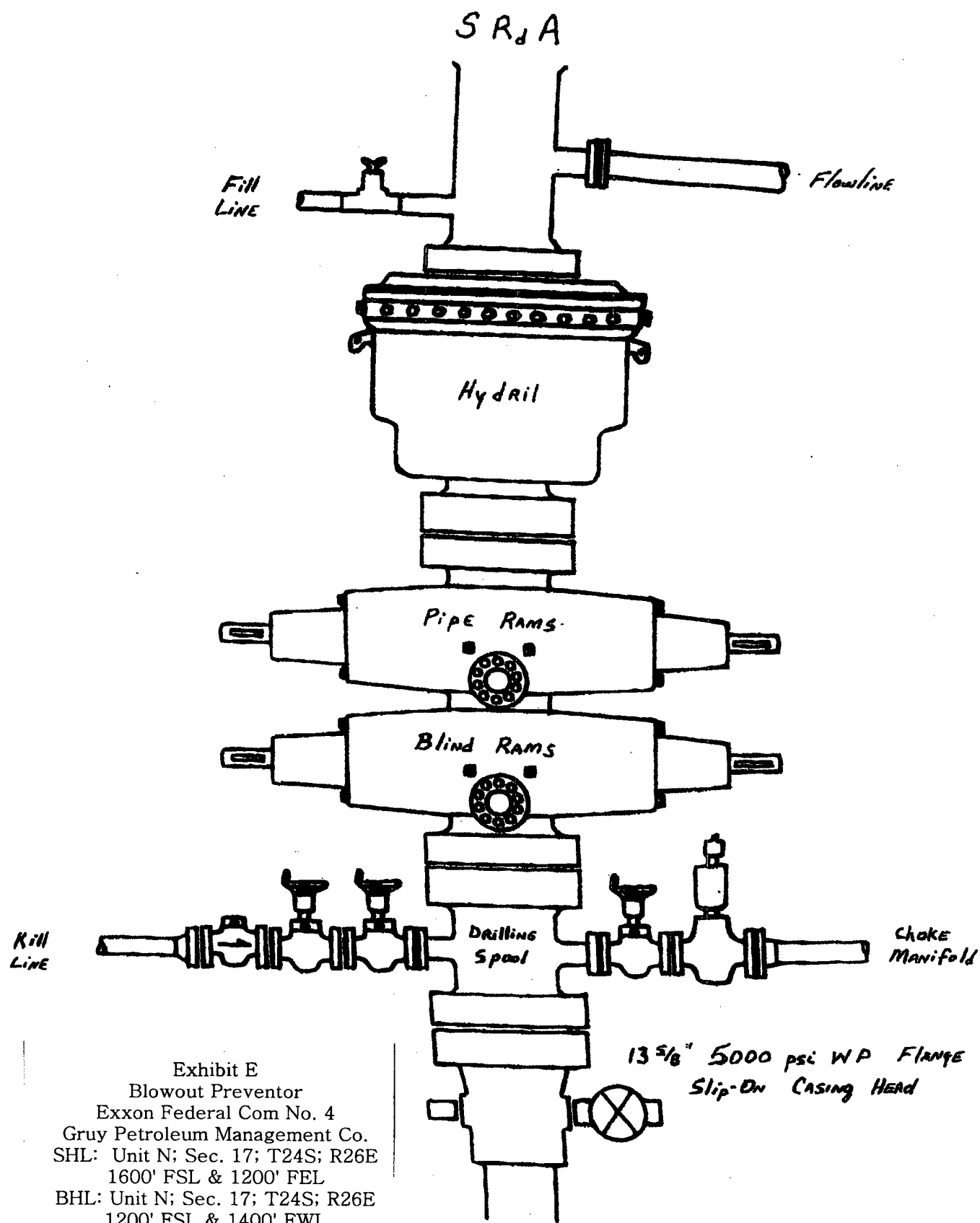


Exhibit E
 Blowout Preventor
 Exxon Federal Com No. 4
 Gruy Petroleum Management Co.
 SHL: Unit N; Sec. 17; T24S; R26E
 1600' FSL & 1200' FEL
 BHL: Unit N; Sec. 17; T24S; R26E
 1200' FSL & 1400' FWL
 Eddy County, NM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-18289
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3111	7. If Unit or CA/Agreement, Name and/or No. SW 808
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL 325' FSL & 2485' FWL Sec 17N 24S-26E BHL 12300' FSL & 1400' FWL Sec 17N 24S 26E		8. Well Name and No. Exxon Federal Com No. 4
		9. API Well No.
		10. Field and Pool, or Exploratory Area White City; Penn (Gas)
		11. County or Parish, State Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 <u>Well Pad</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Modification</u>
	<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 recompleat 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 recompleat 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.)

Attached is a new Well Pad Diagram for Patterson Rig No. 80 for the Exxon Federal Com No 4 well. The Well Pad Diagram sent with the original APD is not of sufficient size for the Rig 80.

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

Zeno Farris

Title

Manager, Operations Administration

Signature

Zeno Farris

Date

October 13, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Leslie A. Theiss

Title

FIELD MANAGER

Date

13 OCT 2003

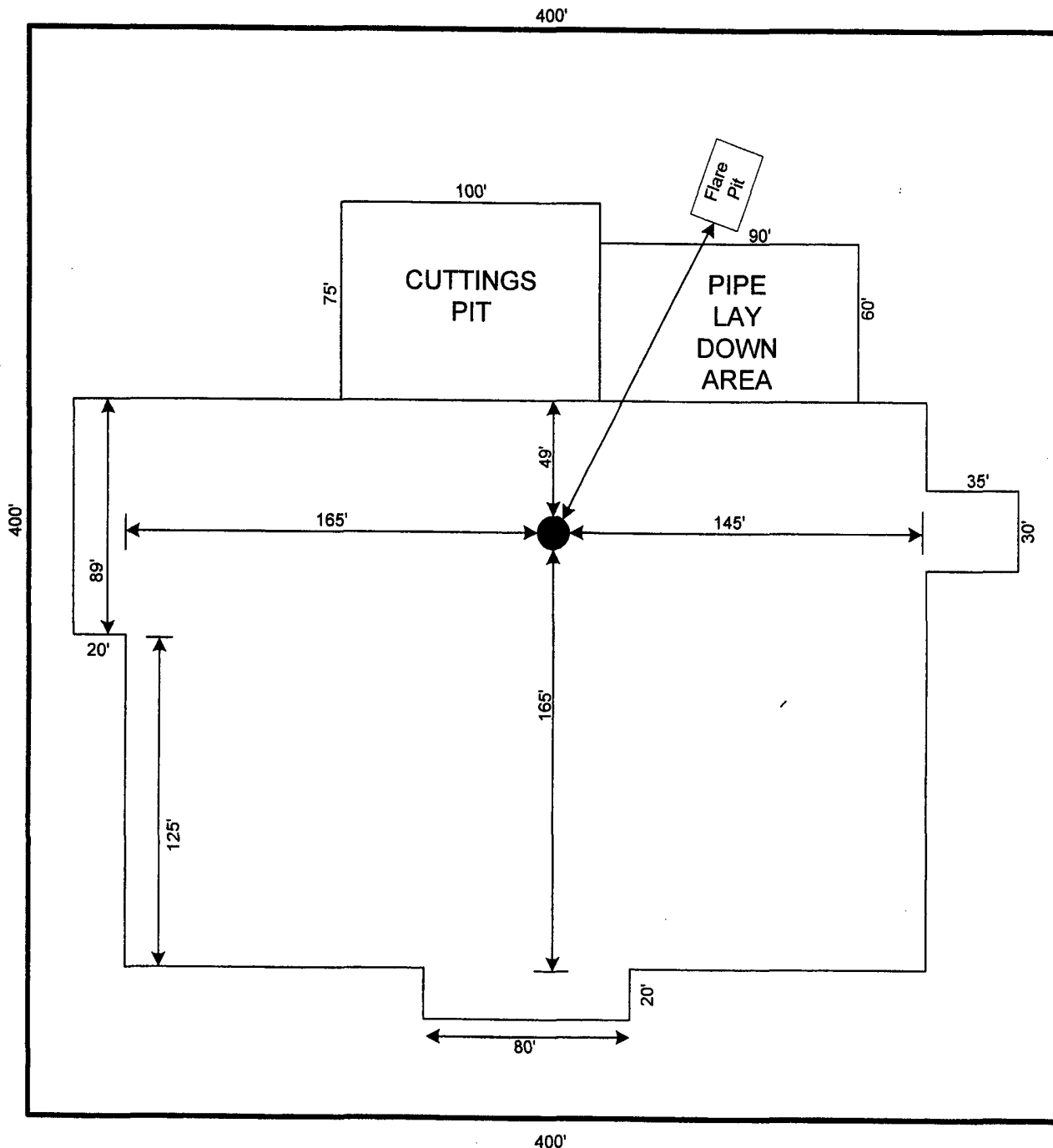
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CARLSBAD FIELD OFFICE

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)



RIG # 80

→

GRUY PETROLEUM
MANAGEMENT COMPANY
IRVING TEXAS

SCALE 1"=60'

Exhibit "D"
Rig Layout Plan
Gruy Petroleum Management Co.
Exxon Federal Com No. 4
SHL: Sec. 17N; T24S; R26E
325' FSL & 2485' FWL
BHL: Sec. 17N; T24S; R26E
12300' FSL & 1400' FWL
Eddy County, NM