

**New Mexico
Eddy County
Sec.32-T24S-R26E
NM DD State Com #3
Version 1**



NM DD State Com #3 Surface Location

RKB Elevation:	3488 00ft above Mean Sea Level
Ref Structure:	295 00 S, 750 00 E
Ref Global Coordinates:	429229.90 N, 503875.10 E
Ref. Geographical Coordinates:	32° 10' 48.2498" N, 104° 19' 14.9097" W

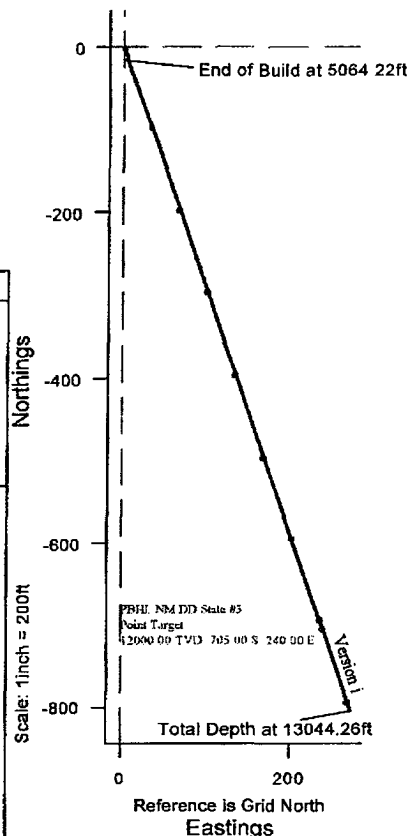
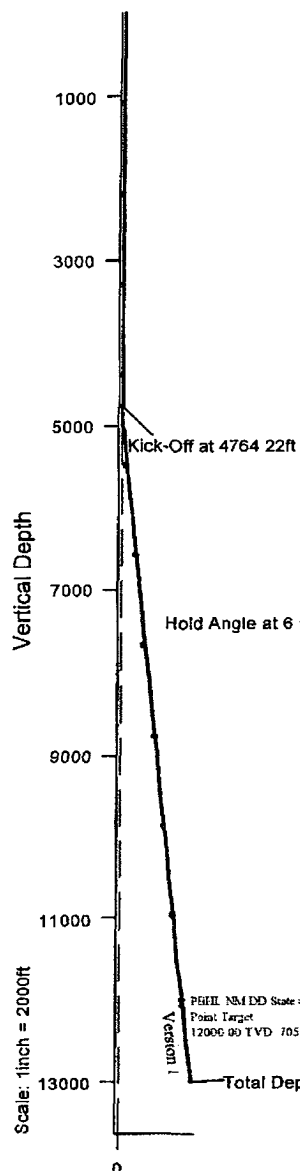
NM DD State Com #3 North Reference Data

Coordinate System is NAD27 New Mexico State Planes, Eastern Zone, US Foot
Source: Snyder J.P. 1987 Map Projections - A Working Manual
Central Meridian is -104.333° Longitude Origin: 0.000°, Latitude Origin: 31.000°
False Easting: 152400.00m, False Northing: 0.00m, Scale Reduction: 0.99990909
Datum is North American Datum of 1927 (US48 AK HI and Canada)
Spheroid is Clarke - 1866
Equatorial Radius: 6378206.400m, Polar Radius: 6356583.800m

Grid Coordinates of Well: 429229.90 N, 503875.10 E
Geographical Coordinates of Well: 32° 10' 48.2498" N, 104° 19' 14.9097" W
Grid Convergence at Surface is 0.007°. Magnetic Convergence at Surface is -8.655°

True North	0.007°
Grid North	
Magnetic North	8.655°
Magnetic Model:	BGM2004
Date:	26-Feb-05
Declination:	8.662
Inclination/Dip:	60.172
Horizontal Component:	24452 nT
Northerly Component:	24174 nT
Easterly Component:	3683 nT
Vertical Component:	42847 nT
Total Field Strength:	49160 nT

Grid North is 0.007° East of True North (Grid Convergence)
Magnetic North is 8.662° East of True North (Magnetic Declination)
Magnetic North is 8.655° East of Grid North (Magnetic Convergence)
To convert a True Direction to a Grid Direction, Subtract 0.007 degrees.
To convert a Magnetic Direction to a True Direction, Add 8.662 degrees.
To convert a Magnetic Direction to a Grid Direction, Add 8.655 degrees.



Version 1 Proposal Data

Coordinate System: NAD27 New Mexico State Planes, Eastern Zone							
Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Vertical Section	Dogleg Rate
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
Kick-Off Point	4764.22	0.000	4764.22	0.00 N	0.00 E	0.00	0.00
Hold Angle	5064.22	6.000	5063.67	14.86 S	5.06 E	15.69	2.00
Continue Hold	12038.76	6.000	12000.00	705.00 S	240.00 E	744.73	0.00
Total Depth	13044.26	6.000	13000.00	804.50 S	273.87 E	849.84	0.00

Version 1 Bottom Hole Location

Ref RKB(3468°+20° KB):	13000.00ft
Ref Structure:	9512 00ft
Ref Wellhead:	804 50 S 273 87 E
Ref Global Coordinates:	428425.40 N 504148.97 E
Ref. Geographical Coordinates:	32° 10' 40.2878" N, 104° 19' 11.7242" W

Section Azimuth: 161 200° (Grid North)
Vertical Section

Prepared by:
Dennis Cook

Date/Time:
1 March, 2005 - 14:15

Checked:

Approved:



Gruy Petroleum Management Co.
New Mexico
Eddy County
Sec.32-T24S-R26E
NM DD State Com #3 - Version 1

Sperry Drilling Services Proposal Report

1 March, 2005

Proposal Ref: pr08231

Prepared by: Dennis Cook
Checked by:
Approved by:

HALLIBURTON
Sperry Drilling Services

HALLIBURTON**Sperry Drilling Services****Gruy Petroleum Management Co.**
New Mexico
Eddy County**Proposal Report for Sec.32-T24S-R26E - NM DD State Com #3 - Version 1**

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	E-W (ft)	Dogleg Severit ("'/100ft)	Lease Calls FNL-FSL (ft)	FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Grid X (ft)
0.00	0.000	0.000	0.00	0.00	0.00 N	0.00 E		295.00 FNL	750.00 FWL	429229.90 N	503875.10 E
Kick-Off at 4764.22ft											
4764.22	0.000	0.000	4764.22	0.00	0.00 N	0.00 E	0.00	295.00 FNL	750.00 FWL	429229.90 N	503875.10 E
4800.00	0.716	161.200	4800.00	0.22	0.21 S	0.07 E	2.00	295.21 FNL	750.07 FWL	429229.69 N	503875.17 E
4900.00	2.716	161.200	4899.95	3.22	3.05 S	1.04 E	2.00	298.05 FNL	751.04 FWL	429226.85 N	503876.14 E
5000.00	4.716	161.200	4999.73	9.70	9.18 S	3.13 E	2.00	304.18 FNL	753.13 FWL	429220.72 N	503878.23 E
End of Build at 5064.22ft											
5064.22	6.000	161.200	5063.67	15.69	14.86 S	5.06 E	2.00	309.86 FNL	755.06 FWL	429215.04 N	503880.16 E
5100.00	6.000	161.200	5099.26	19.43	18.40 S	6.26 E	0.00	313.40 FNL	756.26 FWL	429211.50 N	503881.38 E
5200.00	6.000	161.200	5198.71	29.89	28.29 S	9.63 E	0.00	323.29 FNL	759.63 FWL	429201.61 N	503884.73 E
5300.00	6.000	161.200	5298.16	40.34	38.19 S	13.00 E	0.00	333.19 FNL	763.00 FWL	429191.71 N	503888.10 E
5400.00	6.000	161.200	5397.61	50.79	48.08 S	16.37 E	0.00	343.08 FNL	766.37 FWL	429181.82 N	503891.47 E
5500.00	6.000	161.200	5497.06	61.25	57.98 S	19.74 E	0.00	352.98 FNL	769.74 FWL	429171.92 N	503894.84 E
5600.00	6.000	161.200	5596.52	71.70	67.87 S	23.11 E	0.00	362.87 FNL	773.11 FWL	429162.03 N	503898.21 E
5700.00	6.000	161.200	5695.97	82.15	77.77 S	26.47 E	0.00	372.77 FNL	776.47 FWL	429152.13 N	503901.57 E
5800.00	6.000	161.200	5795.42	92.60	87.66 S	29.84 E	0.00	382.68 FNL	779.84 FWL	429142.24 N	503904.94 E
5900.00	6.000	161.200	5894.87	103.06	97.56 S	33.21 E	0.00	392.58 FNL	783.21 FWL	429132.34 N	503908.31 E
6000.00	6.000	161.200	5994.33	113.51	107.45 S	36.58 E	0.00	402.45 FNL	786.58 FWL	429122.45 N	503911.68 E
6100.00	6.000	161.200	6093.78	123.96	117.35 S	39.95 E	0.00	412.35 FNL	789.95 FWL	429112.55 N	503915.05 E
6200.00	6.000	161.200	6193.23	134.42	127.24 S	43.32 E	0.00	422.24 FNL	793.32 FWL	429102.66 N	503918.42 E
6300.00	6.000	161.200	6292.68	144.87	137.14 S	46.69 E	0.00	432.14 FNL	796.69 FWL	429092.76 N	503921.79 E
6400.00	6.000	161.200	6392.13	155.32	147.03 S	50.05 E	0.00	442.03 FNL	800.05 FWL	429082.87 N	503925.15 E
6500.00	6.000	161.200	6491.59	165.77	156.93 S	53.42 E	0.00	451.93 FNL	803.42 FWL	429072.97 N	503928.52 E
6600.00	6.000	161.200	6591.04	176.23	166.83 S	56.79 E	0.00	461.83 FNL	806.79 FWL	429063.07 N	503931.89 E
6700.00	6.000	161.200	6690.49	186.68	176.72 S	60.16 E	0.00	471.72 FNL	810.16 FWL	429053.18 N	503935.26 E
6800.00	6.000	161.200	6789.94	197.13	186.62 S	63.53 E	0.00	481.62 FNL	813.53 FWL	429043.28 N	503938.63 E
6900.00	6.000	161.200	6889.40	207.59	196.51 S	66.90 E	0.00	491.51 FNL	816.90 FWL	429033.39 N	503942.00 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	E-W (ft)	Dogleg Severit ("100ft)	Lease Calls FNL-FSL (ft)	FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Grid X (ft)
7000.00	6.000	161.200	6988.85	218.04	206.41 S	70.27 E	0.00	501.41 FNL	820.27 FWL	429023.49 N	503945.37 E
7100.00	6.000	161.200	7088.30	228.49	216.30 S	73.63 E	0.00	511.30 FNL	823.63 FWL	429013.60 N	503948.73 E
7200.00	6.000	161.200	7187.75	238.94	226.20 S	77.00 E	0.00	521.20 FNL	827.00 FWL	429003.70 N	503952.10 E
7300.00	6.000	161.200	7287.20	249.40	236.09 S	80.37 E	0.00	531.09 FNL	830.37 FWL	428993.81 N	503955.47 E
7400.00	6.000	161.200	7386.66	259.85	245.99 S	83.74 E	0.00	540.99 FNL	833.74 FWL	428983.91 N	503958.84 E
7500.00	6.000	161.200	7486.11	270.30	255.88 S	87.11 E	0.00	550.88 FNL	837.11 FWL	428974.02 N	503962.21 E
7600.00	6.000	161.200	7585.56	280.76	265.78 S	90.48 E	0.00	560.78 FNL	840.48 FWL	428964.12 N	503965.58 E
7700.00	6.000	161.200	7685.01	291.21	275.67 S	93.85 E	0.00	570.67 FNL	843.85 FWL	428954.23 N	503968.95 E
7800.00	6.000	161.200	7784.47	301.66	285.57 S	97.21 E	0.00	580.57 FNL	847.21 FWL	428944.33 N	503972.31 E
7900.00	6.000	161.200	7883.92	312.11	295.46 S	100.58 E	0.00	590.46 FNL	850.58 FWL	428934.44 N	503975.68 E
8000.00	6.000	161.200	7983.37	322.57	305.36 S	103.95 E	0.00	600.36 FNL	853.95 FWL	428924.54 N	503979.05 E
8100.00	6.000	161.200	8082.82	333.02	315.25 S	107.32 E	0.00	610.25 FNL	857.32 FWL	428914.65 N	503982.42 E
8200.00	6.000	161.200	8182.27	343.47	325.15 S	110.69 E	0.00	620.15 FNL	860.69 FWL	428904.75 N	503985.79 E
8300.00	6.000	161.200	8281.73	353.93	335.04 S	114.06 E	0.00	630.04 FNL	864.06 FWL	428894.86 N	503989.16 E
8400.00	6.000	161.200	8381.18	364.38	344.94 S	117.43 E	0.00	639.94 FNL	867.43 FWL	428884.96 N	503992.53 E
8500.00	6.000	161.200	8480.63	374.83	354.83 S	120.79 E	0.00	649.83 FNL	870.79 FWL	428875.07 N	503995.89 E
8600.00	6.000	161.200	8580.08	385.28	364.73 S	124.16 E	0.00	659.73 FNL	874.16 FWL	428865.17 N	503999.26 E
8700.00	6.000	161.200	8679.53	395.74	374.62 S	127.53 E	0.00	669.62 FNL	877.53 FWL	428855.28 N	504002.63 E
8800.00	6.000	161.200	8778.99	406.19	384.52 S	130.90 E	0.00	679.52 FNL	880.90 FWL	428845.38 N	504006.00 E
8900.00	6.000	161.200	8878.44	416.64	394.41 S	134.27 E	0.00	689.41 FNL	884.27 FWL	428835.49 N	504009.37 E
9000.00	6.000	161.200	8977.89	427.10	404.31 S	137.64 E	0.00	699.31 FNL	887.64 FWL	428825.59 N	504012.74 E
9100.00	6.000	161.200	9077.34	437.55	414.20 S	141.01 E	0.00	709.20 FNL	891.01 FWL	428815.70 N	504016.11 E
9200.00	6.000	161.200	9176.80	448.00	424.10 S	144.37 E	0.00	719.10 FNL	894.37 FWL	428805.80 N	504019.47 E
9300.00	6.000	161.200	9276.25	458.45	434.00 S	147.74 E	0.00	729.00 FNL	897.74 FWL	428795.90 N	504022.84 E
9400.00	6.000	161.200	9375.70	468.91	443.89 S	151.11 E	0.00	738.89 FNL	901.11 FWL	428786.01 N	504026.21 E
9500.00	6.000	161.200	9475.15	479.36	453.79 S	154.48 E	0.00	748.79 FNL	904.48 FWL	428776.11 N	504029.58 E
9600.00	6.000	161.200	9574.60	489.81	463.68 S	157.85 E	0.00	758.68 FNL	907.85 FWL	428766.22 N	504032.95 E
9700.00	6.000	161.200	9674.06	500.27	473.58 S	161.22 E	0.00	768.58 FNL	911.22 FWL	428756.32 N	504036.32 E
9800.00	6.000	161.200	9773.51	510.72	483.47 S	164.59 E	0.00	778.47 FNL	914.59 FWL	428746.43 N	504039.69 E
9900.00	6.000	161.200	9872.96	521.17	493.37 S	167.95 E	0.00	788.37 FNL	917.95 FWL	428736.53 N	504043.05 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates		Dogleg Severit (°/100ft)	Lease Calls		Global Coordinates	
					N-S (ft)	E-W (ft)		FNL-FSL (ft)	FEL-FWL (ft)	Grid Y (ft)	Grid X (ft)
10000.00	6.000	161.200	9972.41	531.62	503.26 S	171.32 E	0.00	798.26 FNL	921.32 FWL	428726.64 N	504046.42 E
10100.00	6.000	161.200	10071.87	542.08	513.16 S	174.69 E	0.00	808.16 FNL	924.69 FWL	428716.74 N	504048.79 E
10200.00	6.000	161.200	10171.32	552.53	523.05 S	178.06 E	0.00	818.05 FNL	928.06 FWL	428706.85 N	504053.16 E
10300.00	6.000	161.200	10270.77	562.98	532.95 S	181.43 E	0.00	827.95 FNL	931.43 FWL	428696.95 N	504056.53 E
10400.00	6.000	161.200	10370.22	573.43	542.84 S	184.80 E	0.00	837.84 FNL	934.80 FWL	428687.05 N	504059.90 E
10500.00	6.000	161.200	10469.67	583.89	552.74 S	188.17 E	0.00	847.74 FNL	938.17 FWL	428677.16 N	504063.27 E
10600.00	6.000	161.200	10569.13	594.34	562.63 S	191.53 E	0.00	857.63 FNL	941.53 FWL	428667.27 N	504066.63 E
10700.00	6.000	161.200	10668.58	604.79	572.53 S	194.90 E	0.00	867.53 FNL	944.90 FWL	428657.37 N	504070.00 E
10800.00	6.000	161.200	10768.03	615.25	582.42 S	198.27 E	0.00	877.42 FNL	948.27 FWL	428647.48 N	504073.37 E
10900.00	6.000	161.200	10867.48	625.70	592.32 S	201.64 E	0.00	887.32 FNL	951.64 FWL	428637.58 N	504076.74 E
11000.00	6.000	161.200	10966.94	636.15	602.21 S	205.01 E	0.00	897.21 FNL	955.01 FWL	428627.69 N	504080.11 E
11100.00	6.000	161.200	11066.39	646.60	612.11 S	208.38 E	0.00	907.11 FNL	958.38 FWL	428617.79 N	504083.48 E
11200.00	6.000	161.200	11165.84	657.06	622.00 S	211.75 E	0.00	917.00 FNL	961.75 FWL	428607.90 N	504086.85 E
11300.00	6.000	161.200	11265.29	667.51	631.90 S	215.11 E	0.00	926.90 FNL	965.11 FWL	428598.00 N	504090.21 E
11400.00	6.000	161.200	11364.74	677.96	641.79 S	218.48 E	0.00	936.79 FNL	968.48 FWL	428588.11 N	504093.58 E
11500.00	6.000	161.200	11464.20	688.42	651.69 S	221.85 E	0.00	946.69 FNL	971.85 FWL	428578.21 N	504096.95 E
11600.00	6.000	161.200	11563.65	698.87	661.58 S	225.22 E	0.00	956.58 FNL	975.22 FWL	428568.32 N	504100.32 E
11700.00	6.000	161.200	11663.10	709.32	671.48 S	228.59 E	0.00	966.48 FNL	978.59 FWL	428558.42 N	504103.69 E
11800.00	6.000	161.200	11762.55	719.77	681.37 S	231.96 E	0.00	976.37 FNL	981.96 FWL	428548.53 N	504107.06 E
11900.00	6.000	161.200	11862.00	730.23	691.27 S	235.33 E	0.00	986.27 FNL	985.33 FWL	428538.63 N	504110.43 E
12000.00	6.000	161.200	11961.46	740.68	701.17 S	238.69 E	0.00	996.17 FNL	988.69 FWL	428528.73 N	504113.79 E
12038.76	6.000	161.200	12000.00	744.73	705.00 S	240.00 E	0.00	1000.00 FNL	990.00 FWL	428524.90 N	504115.10 E
12100.00	6.000	161.200	12060.91	751.13	711.06 S	242.08 E	0.00	1006.06 FNL	992.06 FWL	428518.84 N	504117.16 E
12200.00	6.000	161.200	12160.36	761.58	720.96 S	245.43 E	0.00	1015.96 FNL	995.43 FWL	428508.94 N	504120.53 E
12300.00	6.000	161.200	12259.81	772.04	730.85 S	248.80 E	0.00	1025.85 FNL	998.80 FWL	428499.05 N	504123.90 E
12400.00	6.000	161.200	12359.27	782.49	740.75 S	252.17 E	0.00	1035.75 FNL	1002.17 FWL	428489.15 N	504127.27 E
12500.00	6.000	161.200	12458.72	792.94	750.64 S	255.54 E	0.00	1045.64 FNL	1005.54 FWL	428479.26 N	504130.64 E
12600.00	6.000	161.200	12558.17	803.40	760.54 S	258.91 E	0.00	1055.54 FNL	1008.91 FWL	428469.36 N	504134.01 E
12700.00	6.000	161.200	12657.62	813.85	770.43 S	262.27 E	0.00	1065.43 FNL	1012.27 FWL	428459.47 N	504137.37 E
12800.00	6.000	161.200	12757.07	824.30	780.33 S	265.64 E	0.00	1075.33 FNL	1015.64 FWL	428449.57 N	504140.74 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	E-W (ft)	Dogleg Severit (°/100ft)	Lease Calls FNL-FSL (ft)	FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Grid X (ft)
12900.00	6.000	161.200	12856.53	834.76	790.22 S	269.01 E	0.00	1085.22 FNL	1019.01 FWL	428439.68 N	504144.11 E
13000.00	6.000	161.200	12955.98	845.21	800.12 S	272.38 E	0.00	1095.12 FNL	1022.38 FWL	428429.78 N	504147.48 E
Total Depth at 13044.26ft											
13044.26	6.000	161.200	13000.00	849.84	804.50 S	273.87 E	0.00	1099.50 FNL	1023.87 FWL	428425.40 N	504148.97 E

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to Grid North.
Vertical depths are relative to RKB(3468°+20°KB). Northings and Eastings are relative to Wellhead.

Based upon Minimum Curvature type calculations, at a Measured Depth of 13044.26ft..
The Bottom Hole Displacement is 849.84ft., in the Direction of 161.200° (Grid).

Proposal Report for Sec.32-T24S-R26E - NM DD State Com #3 - Version 1

Comments

Measured Depth (ft)	Station Coordinates			Comment
	TVD (ft)	Northings (ft)	Eastings (ft)	
4764.22	4764.22	0.00 N	0.00 E	Kick-Off at 4764.22ft
5064.22	5063.67	14.86 S	5.06 E	End of Build at 5064.22ft
13044.26	13000.00	804.50 S	273.87 E	Total Depth at 13044.26ft

North Reference Sheet for Sec.32-T24S-R26E - NM DD State Com #3

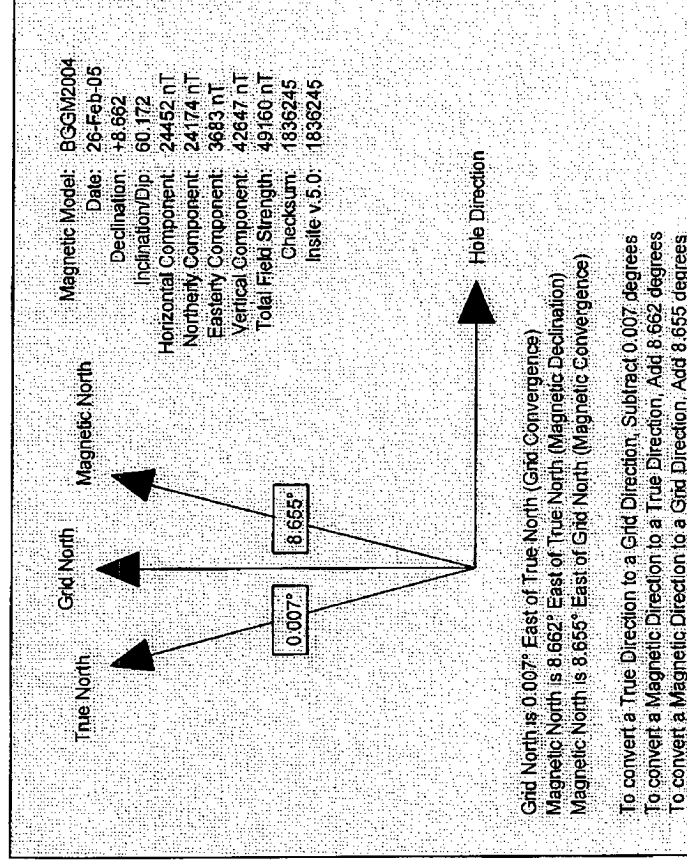
Coordinate System is NAD27 New Mexico State Planes, Eastern Zone, US Foot
Source: Snyder, J.P., 1987, Map Projections - A Working Manual

Datum is North American Datum of 1927 (US48, AK, HI, and Canada)

Spheroid is Clarke - 1866
Equatorial Radius: 6378206.400m.
Polar Radius: 6356583.800m.
Inverse Flattening: 294.978698213901

Projection method is Transverse Mercator or Gauss Kruger Projection
Central Meridian is -104.333°
Longitude Origin: 0.000°
Latitude Origin: 31.000°
False Easting: 152400.00m
False Northing: 0.00m
Scale Reduction: 0.99990909

Grid Coordinates of Well: 429229.90 N, 503875.10 E
Geographical Coordinates of Well: 32° 10' 48.2498" N, 104° 19' 14.9097" W
Surface Elevation of Well: 3488.00ft
Grid Convergence at Surface is +0.007°
Magnetic Convergence at Surface is -8.655° (26 February, 2005)



Arrant, Bryan

From: Zeno Farris [zfarris@magnumhunter.com]
Sent: Tuesday, March 08, 2005 8:10 AM
To: barrant@state.nm.us
Subject: RE: New Mexico DD State Com # 3 Prelim Directional

Brian, Gruy Petroleum Management Co. has an agreement with Chevron USA Inc. to drill the referenced well and then turn over operations to them effective 1st sales.

Thanks Zeno

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