

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Alamosa, 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		APR 28 2005	5. Lease Serial No. NMNM96835
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name	7. If Unit or CA/Agreement, Name and/or No.
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972-401-3111	8. Well Name and No. Liberty 24 Federal Com No. 2	9. API Well No. 30-015-33683
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24-T25S-R26E 1475' FSL & 940' FWL		10. Field and Pool, or Exploratory Area Cottonwood Draw; Morrow	11. County or Parish, State Eddy Co., 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 production 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 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.)

04-02-05 Reached TD of 8-3/4" hole.

04-04-05 Ran 210 jts 7" 23# P-110 LT&C New casing to 9015.' Cemented first stage with lead 350sx Interfill H + 1% HR-7 + 5# Gilsonite + 0.25# Flocele and tail 150sx Super H + 5# Gilsonite + 1# Salt + 0.4% CFR-3 + 0.5% LAP-1 + 0.25# D-AIR 3000 + 0.3% HR-7. Circulated 45sx to surface from first stage.

Cemented second stage with lead 540sx Interfill C + 1/4# Flocele and tail 75sx Premium Plus Neat. Circulated 73 sx to surface on second stage. Tested casing to 1500psi. WOC 18.5 hours.

04-15-05 Reached TD of 6-1/8" hole.

04-17-05 Ran 283 jts 4-1/2" 11.6# P-110 LT&C/XO/ULT-FJ New casing to 12339.' Cemented with 400sx Permian Basin Super H + 1/4# Flocele + 1/4# D-AIR + 5# Gilsonite + 0.5% LAP-1 + 0.4% CFR-3 + 1# Salt + 0.4% HR-7. Tested casing to 5000psi.

Did temperature survey. Found TOC at 4300.' Released rig.

ACCEPTED FOR RECORD

APR 27 2005

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Title

Regulatory Analyst

Signature

Date

April 19, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)