

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-D 131.2
1301 W. Grand Avenue
Artesia, 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		5. Lease Serial No. NMNM 112254	
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		7. If Unit or CA/Agreement, Name and/or No.	
3b. Phone No. (include area code) 972.401.3111		8. Well Name and No. Vern 1 Federal No. 1	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1600' FNL & 1200' FEL Sec 1-25S-25E		9. API Well No. 30-015-34109	
		10. Field and Pool, or Exploratory Area Cottonwood Draw; Wildcat	
		11. County or Parish, State Eddy, NM	

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

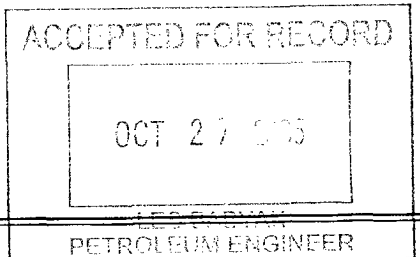
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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.)

09-02-05 Reached TD of 8-3/4" hole (12180').

09-06-05 Ran 5-1/2" 17# P-110/N-80 8R LTC casing to 12180'. Cemented first stage with lead of 450sx Interfill C 5lb/sx + 0.20% HR-7 + 1/4 lb/sx Flocele and tail of 990sx Super H + 5 lb/sx Gilsonite + 1 lb/sx salt + 0.50% LAP-1 + 0.40% CFR-3 + 1/4 lb/sx D-AIR 3000 + 1/4 lb/sx Flocele + 0.35% HR-7. No circulation to surface on first stage.
Cemented second stage with lead 1300sx Interfill C + 1/4 lb/sx Flocele and tail 150sx Premium. No cement circulated to surface on second stage.

09-07-05 Ran temperature survey and found TOC at 2000'.



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

Natalie Krueger

Title

Regulatory Technician

Signature

Natalie Krueger

Date

10-11-05

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)