

UNITED STATES **OCD-ARTESIA**
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-065457
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address PO 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.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1000' FNL & 1700' FWL 30-24S-26E		8. Well Name and No. JM Gates NCT-1 Federal No. 4
		9. API Well No. 30-015-34052
		10. Field and Pool, or Exploratory Area White City; Penn (Gas)
		11. County or Parish, State Eddy County, 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>Request</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>perm extension</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, included 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.)

The permit for the JM Gates NCT-1 Federal No. 4 is due to expire on 04-05-06. Gruy respectfully requests a permit extension due to rig scheduling.

APD
APPROVED
4/5/2005

RECEIVED
MAY 05 2006
OCD-ARTESIA

APPROVED FOR 12 MONTH PERIOD
ENDING 4/05/2007

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

Natalie Krueger

Signature

Natalie Krueger

Title

Reg Tech

Date

March 31, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Russell E. Sorensen

ACTING

FIELD MANAGER

Date

MAY 03 2006

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)

**CULTURAL RESOURCES STIPULATIONS
CARLSBAD FIELD OFFICE**

PROJECT NAME: JM Gates NCT-1 Number 4 Well Location and Access Road
REPORT NUMBER: BLM 05-NM-523-412; SNMAS-04NM-1677/05NM-1677-A
DATE: 4/4/05

SITE PROTECTION AND EMPLOYEE EDUCATION: All employees of the project and subcontractors shall be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They shall also be notified that it is illegal to collect, damage or disturb cultural resources.

YES A. Monitoring is required.

YES 1. A copy of these stipulations shall be supplied to the archaeological monitor at least five (5) working days prior to the start of construction activities.

YES 2. No construction activities, including vegetation removal, may begin before the arrival of the archaeological monitor.

YES 3. The archaeological monitor will:

NO a. Ensure that the site protection barrier is located as indicated on the attached map.

NO b. Observe all disturbing activities within 100 feet of cultural sites.

YES c. Other: Observe all disturbing activities for the proposed access road (see attached map).

YES d. Submit a report of the monitoring activities within thirty (30) days of completion of monitoring unless other arrangements are made with the BLM. These stipulations must be attached to the report.

NO B. The grantee must select one of the following alternatives:

NO 1. Controlled test excavations to determine if cultural resources are present;

NO 2. Reduction of the project size to avoid all significant cultural materials

NO 3. Relocation of the project;

NO 4. Preparation and implementation of a data recovery plan for cultural sites(s)

NO C. SITE BARRIER/FENCING:

NO 1. A temporary site protection barrier(s) shall be erected prior to construction. The barrier(s) shall, at a minimum, consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon flagging or blue paint. There shall be no construction activities or vehicular traffic past the barrier(s). The barrier(s) shall remain in place through reclamation and reseeding.

NO 2. A permanent fence shall be erected prior to construction. There shall be no construction activities or vehicle traffic past the fence. **An archaeologist shall monitor the construction of the fence.**

NO 3. The barrier/fence shall be placed as indicated on the attached map.

YES D. CONSTRUCTION ZONES: Ensure there is no construction zone within a cultural site.

NO E. OTHER:

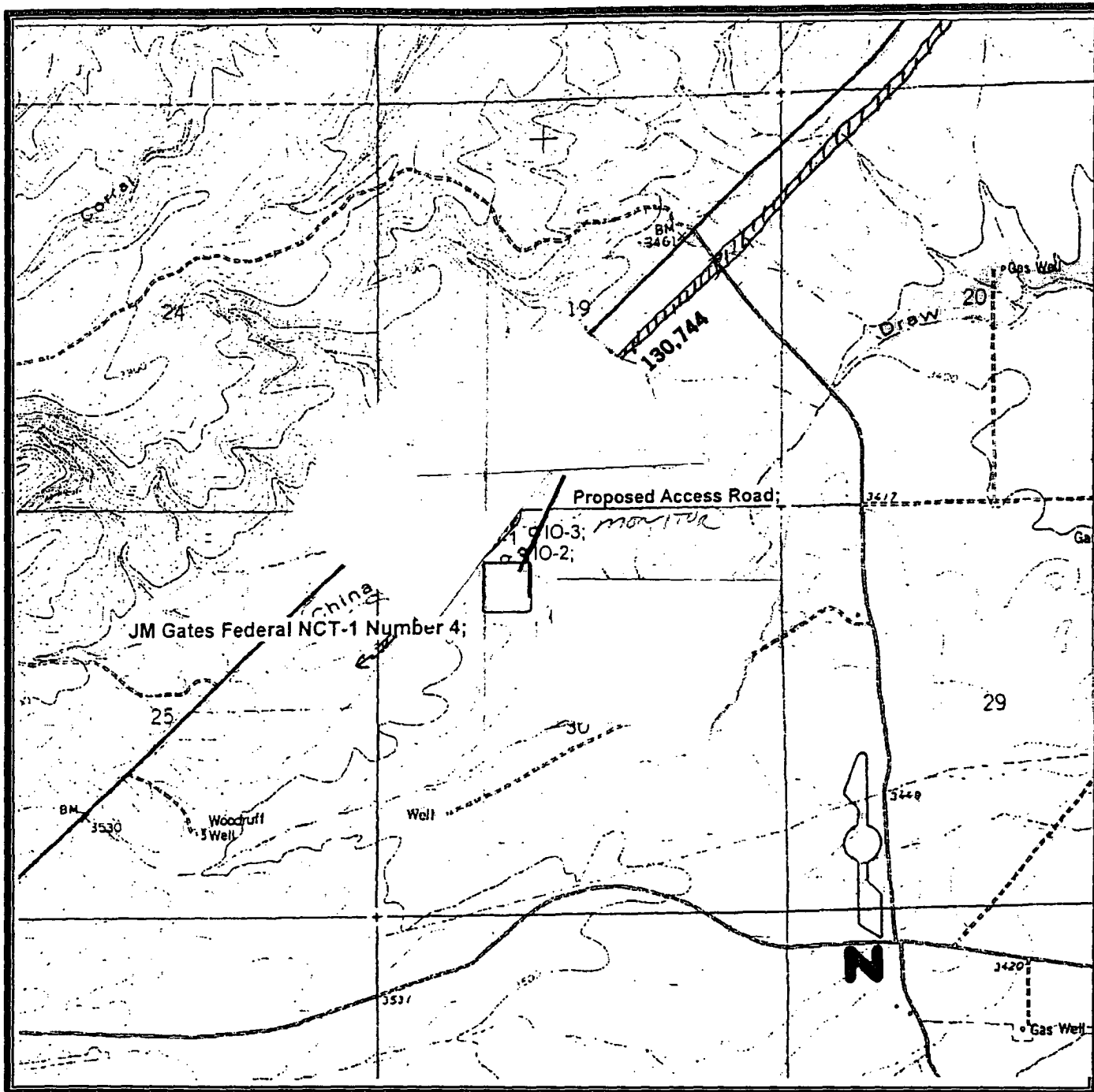


Figure 1: Survey Area Gruy Petroleum Management Company
JM Gates Federal NCT-1 Number 4 Proposed Well Location and Access Road
Sections 30 and 19, T.24S, R.26E
USGS Black River Village, N.M. (1979) 7.5' topo map
Eddy County, New Mexico
Scale 1:24,000

Southern New Mexico Archaeological Services, Inc.