

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. DIV-Dist. 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  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Gruy Petroleum Management Co.

3a. Address  
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. (include area code)  
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1200' FNL & 1400' FEL Sec. 8 T24S - R26E

5. Lease Serial No.  
NM 15295

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
C & K Federal 2

9. API Well No.  
30-015-32809

10. Field and Pool, or Exploratory Area  
White City; Penn (Gas)

11. County or Parish, State  
Eddy Co., NM

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

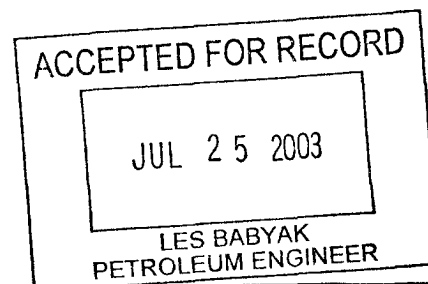
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/>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

7-17-03 Reached TD of 12060.'

7-20-03 Ran 282 jts 5.5/17/N&P/LTC casing to 12060.' Cement with 20 bbls FW Spacer, 1000 gal Superflush, 450 sx Interfill, 500 sx Super H. Displaced with 275 bbl FW. Pumped second stage with 20 bbl FW spacer, 825 sx Interfill, 100 sx Premium Neat, and diplaced with 163 bbls FW.

7-21-03 Ran temperature survey and found TOC at 5700.'



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

Name (Printed/Typed)

Natalie Krueger

Signature

*Natalie Krueger*

Title

Production Assistant

Date

July 21, 2003

**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)

**Gruy Petroleum Management Co.**  
**Magnum Hunter Production, Inc.**  
**Well History**  
**June 21, 2003 Thru July 21, 2003**

**OPERATED**

**WHITE CITY PROSPECT**

GRUY PETROLEUM MANAGEMENT CO

**77013 C&K FEDERAL #2**

EDDY, NM

1200'FNL, 1400'FEL, Sec 8 T24S R26E

W.I. Pct BCP 67.41 %

W.I. Pct ACP 67.41 %

Morrow / 12,000'

06/21/2003

Depth 2,210

Progress 250

AFE: 23162

Present Operation: DRILLING AHEAD AT 35'/HR

Nippledown BOP and jet pits. Set slips, cut off casing, remove spacer, and install "B" section. Test to 2000psi. Nipple up BOP stack. Test BOP stack components to 250 and 5000psi. Hook up shale shaker and put DC on rack. Pick up BHA and TIH. Drill plug at 1921' and cement to shoe. Test casing to 2200 psi. Drill shoe at 1961' and 5' of new formation. Test formation to 350 psi for 10.6 ppg EMW. Drilling new formation from 1966' - 2210' with 35 - 40K WOB and 55 RPM. Daily ROP - 31.25'/hr

06/22/2003

Depth 3,760

Progress 1,550

AFE: 23162

Present Operation: DRILLING AT 30' - 35'/HR

Drilling from 2210' - 2362' with 40K WOB and 55 RPM. Wireline Survey at 2289' - .25 degrees. Drilling from 2362' - 2872' with 40K WOB and 55 RPM. Wireline Survey at 2787' - .5 degrees. Drilling from 2872' - 3347' with 40K WOB and 60 RPM. Wireline Survey at 3277' - .75 degrees. Drilling from 3347' - 3760' with 40K WOB and 60 RPM. Daily ROP - 68.8'/hr.

06/23/2003

Depth 4,380

Progress 620

AFE: 23162

Present Operation: DRILLING AHEAD AT 40'/HR

Drilling from 3760' - 3860' with 40K WOB and 60 RPM. Wireline Survey at 3785' - .75 degrees. Drilling from 3860' - 3988' with 40K WOB and 60 RPM. Motor began stalling out. Trip out of hole and laydown bit and motor. Trip in hole to 3900'. Ream 90' to bottom. Drilling from 3988' - 4380' with 40K WOB and 60 RPM. Daily ROP - 35.6'/hr. Bit # 2 - Cum ROP - 52'/hr.

06/24/2003

Depth 5,400

Progress 1,020

AFE: 23162

Present Operation: DRILLING AHEAD AT 43'/HR.

Drilling from 4380' - 4559' with 40K WOB and 40 RPM. Wireline Survey at 4484' - 1 degree. Drilling from 4559' - 5036' with 40K WOB and 40 RPM. Wireline Survey at 4966' - 1 degree. Drilling from 5036' - 5400 with 40K WOB and 40 RPM. Daily ROP - 44.3'/hr Cum ROP - 41.5'/hr.

06/25/2003

Depth 6,052

Progress 652

AFE: 23162

Present Operation: DRILLING AHEAD AT 16'/HR.

Drilling from 5480' - 5576' with 45K WOB and 40 RPM. Wireline Survey at 5466' - 1.5 degrees. Drilling from 5576' - 6025' with 40K WOB and 45 RPM. Wireline Survey at 5946' - 2.5 degrees. Drilling from 6025' - 6052' with 30K WOB and 45 RPM. Daily ROP - 28.3'/hr Cum ROP - 36.2'/hr

06/26/2003

Depth 6,312

Progress 260

AFE: 23162

Present Operation: TIH

Monday, 21 July, 2003

C&K FEDERAL #2

1

Drilling from 6052' - 6277' with 25K WOB and 70 RPM. Wireline Survey at 6207' - 2.75 degrees.  
 Drilling from 6277' - 6312' with 20K WOB and 70 RPM. Made connection and bit began to stall. Drop  
 survey tool and trip out of hole for bit. Break out bit and make up new one. Changed out RMR and IBS.  
 Trip in hole to 6000'. Daily ROP - 14.8'/hr Cum ROP - 31.2'/hr. Ran Hughes HRS38C in hole.

06/27/2003                      Depth                      6,735  
    Progress                      423  
 AFE:                      23162                      Present Operation:    Drilling

Trip in hole to 6250'. Ream 62' to bottom. Drilling from 6312' - 6468' with 25K WOB and 60 RPM.  
 Wireline Survey at 6448' - 2.5 degrees. Drilling from 6468' - 6610' with 30K WOB and 60 RPM.  
 Wireline Survey at 6552' - 1.5 degrees. Drilling from 6610' - 6735' with 40K WOB and 60 RPM. Daily  
 ROP - 20.6'/hr.

06/28/2003                      Depth                      7,325  
    Progress                      590  
 AFE:                      23162                      Present Operation:    Drlg

Drilling from 6735' - 6846' with 25K WOB and 60 RPM. Wireline Survey at 6746' - 1.5 degrees.  
 Drilling from 6846' - 7071' with 35K WOB and 60 RPM. Wireline survey at 7048' - 1.5 degrees.  
 Drilling from 7071' - 7325' with 40K WOB and 55 RPM. Daily ROP - 25.6'/hr Cum ROP - 23.5'/hr.  
 Losing 10 bbls/hr to seepage downhole. Sweeping hole with paper.

06/29/2003                      Depth                      7,960  
    Progress                      635  
 AFE:                      23162                      Present Operation:    Drlg

Drilling from 7325' - 7421' with 40K WOB and 50 RPM. Wireline Survey at 7346' - 1.5 degrees.  
 Drilling from 7421' - 7738' with 40K WOB and 50 RPM. Wireline Survey at 7694' - 1.5 degrees.  
 Drilling from 7738' - 7960' with 40K WOB and 50 RPM. Daily ROP - 27.6'/hr. Cum ROP - 28.3'/hr.  
 Losing 10 BBLs/HR to seepage and hole volume.

06/30/2003                      Depth                      8,468  
    Progress                      508  
 AFE:                      23162                      Present Operation:    Trip for New Bit

Drilling from 7960' - 8088' with 40K WOB and 50 RPM. Wireline Survey at 8013' - 2 degrees. Drilling  
 from 8088' - 8310' with 40K WOB and 50 RPM. Wireline Survey at 8235' - 2 degrees. Drilling from 8310'  
 - 8468' with 40K WOB and 50 RPM. Setting kelly back for trip out of hole. Daily ROP - 22'/hr Cum ROP -  
 24.2'/hr. ROP well - 29.8'/hr Will trip check drill collars on trip out of hole.

07/01/2003                      Depth                      8,710  
    Progress                      242  
 AFE:                      23162                      Present Operation:    Drlg

Drop survey tool & TOH for bit & motor; PU new bit & motor, trip check DC, found one bad pin & one  
 bad box in string; cut drilling line; TIH to 8430'; ream 38' to btm; drlg from 8468' to 8710' with  
 40-45K WOB & 60 RPM; daily ROP - 24.2'/hr.

07/02/2003                      Depth                      9,075  
    Progress                      365  
 AFE:                      23162                      Present Operation:    Drlg

DRILL F/ 8710' - 8945'. 18.8 FPH. WOB - 35, RPM - 60. WLS @ 8872' - MR. INSTALL ROT.  
 HEAD. DRILL F/ 8945' - 8976'. 15.5 FPH. WOB - 35, RPM - 60. WLS @ 8900' - 2 DEG. DRILL  
 F/ 8976' - 9006'. 15 FPH. WOB - 25, RPM - 60. LOST RETURNS @ 9006'. PU, MIX LCM PILL  
 AND PUMP. REGAINED RETURNS. DRILL F/ 9006' - 9075'. 17.3 FPH. WOB - 25, RPM - 60. (   
 FULL RETURNS ).

07/03/2003                      Depth                      9,302  
    Progress                      227  
 AFE:                      23162                      Present Operation:    Drlg

Monday, 21 July, 2003

C&K FEDERAL #2

2

DRILL F/ 9075' - 9230'. AVG. ROP - 10.4 FPH. WOB - 25, RPM - 60. WLS @ 9157' - 2 DEG.  
 DRILL F/ 9230' - 9263'. AVG. ROP - 7 FPH. WOB - 20, RPM - 60. WORK ON #1 PUMP MOTOR.  
 DRILL F/ 9263' - 9302'. AVG. ROP - 19.5 FPH, WOB - 25, RPM - 60.

07/04/2003                      Depth                      9,540  
    Progress                      238  
 AFE:                      23162                      Present Operation:    Drlg

DRILL F/ 9302' - 9421'. AVG. ROP - 9.9 FPH. WOB - 25, RPM - 60. WLS @ 9348' - 2 DEG. DRILL F/  
 9421' - 9540'. AVG. ROP - 10.8 FPH. WOB - 25, RPM - 60.

07/05/2003                      Depth                      9,639  
    Progress                      99  
 AFE:                      23162                      Present Operation:    Drlg

DRILL F/ 9538' - 9540'. PUMP SLUG AND DROP TOTCO. TOH FOR NEW BIT. LD 3 PT.  
 REAMER, MOTOR AND BIT. CUT AND SLIP 150' DRLG. LINE. JET SUCTION PIT. MU BIT #7,  
 MOTOR, REAMER AND TIH. BREAK CIRC. AND REPAIR DRAWWORKS 3RD GEAR. TIH. DRILL F/  
 9540' - 9639'. AVG. ROP - 10.4 FPH. WOB - 45, RPM - 60.    PRESENTLY BURNING 5' - 12'  
 FLARE.

07/06/2003                      Depth                      9,865  
    Progress                      226  
 AFE:                      23162                      Present Operation:    Drlg

DRILL F/ 9639' - 9865'. AVG. ROP - 9.5 FPH. WOB - 45, RPM - 60. (DRLG. HAS PICKED UP LAST 4  
 HRS. - 12' - 15' FPH.)

07/07/2003                      Depth                      10,145  
    Progress                      280  
 AFE:                      23162                      Present Operation:    Drlg

Drill f/9865' to 9898', AVG ROP 9.5 FPH, WOB 45, RPM 60; WLS @ 9823' = 1-3/4 deg; drill  
 f/9898' to 10,145', AVG ROP 12.4 FPH, WOB 45, RPM 60.

07/08/2003                      Depth                      10,361  
    Progress                      218  
 AFE:                      23162                      Present Operation:    Drlg

Drill f/10,145' to 10,198', AVG ROP 7.6 FPH, WOB 45, RPM 60; set back kelly, pull 10 stds, jet all  
 pits with XCD mud from frac tanks & displace hole with same (adding FW & premium seal to mud  
 going down hole), repair clutch motor on #1 floor motor; drill f/10,198' to 10,361', AVG ROP 14.8  
 FPH, WOB 45, RPM 60.

07/09/2003                      Depth                      10,522  
    Progress                      161  
 AFE:                      23162                      Present Operation:    Drlg

DRILL F/ 10361' - 10374'. AVG. ROP - 5.2 FPH. WOB - 45, RPM - 60. WLS @ 10299' - 2 3/4 DEG.  
 DRILL F/ 10374' - 10522'. AVG. ROP - 7.3 FPH.

07/10/2003                      Depth                      10,645  
    Progress                      112  
 AFE:                      23162                      Present Operation:    Drlg

Drill f/10,522' to 10,533'; pump slug, drop TOTCO & TOH for new bit (TOTCO dropped 1-3/4 deg);  
 MU bit #8, new motor, IBS & 3 pt reamer & TIH; W&R 30' to btm; drill f/10,533' to 10,645', AVG  
 ROP 10.2 FPH, WOB 50, RPM 60.

07/11/2003                      Depth                      10,953  
    Progress                      308  
 AFE:                      23162                      Present Operation:    Drlg

Monday, 21 July, 2003

C&K FEDERAL #2

3

Drilling from 10645' - 10850' with 50K WOB and 60 RPM. Wireline Survey at 10777' - 2 degrees.  
 Drilling from 10850' - 10953' with 45K WOB and 60 RPM. Daily ROP - 13.1'/hr Cum ROP - 11.8'/hr

07/12/2003                      Depth                      11,178  
    Progress                      225  
 AFE:                      23162                      Present Operation: Drlg

Drilling from 10973' - 11157' with 50K WOB and 60 RPM. Lost 102 bbls of mud to seepage and in drilling break from 10968' - 10990'. Added 20 sx of Premium Seal and 13 sx of MagmaFiber to mud while bypassing shaker. No more losses afterwards. Wireline Survey at 11060' - .75 degrees. Drilling from 11157' - 11178' with 55K WOB and 60 RPM. No seepage or losses Daily ROP - 9.7'/hr Cum ROP - 11.02'/hr.

07/13/2003                      Depth                      11,407  
    Progress                      229  
 AFE:                      23162                      Present Operation: Trip for New Bit

Drilling from 11178' - 11407' with 50K WOB and 60 RPM. Bit slowing down to 6'/hr. Mix slug and drop survey tool. Trip out of hole for bit. Daily ROP - 9.95'/hr Cum ROP - 10.7'/hr

07/14/2003                      Depth                      11,549  
    Progress                      142  
 AFE:                      23162                      Present Operation: Drlg

Pull 8 stands of drill pipe and pipe was wet. Kelly up to mix second slug. Mix slug and pump for trip out of hole. Trip out of hole for bit. Change out bit, trip in hole with drill collars, and cut drilling line. Trip in hole to 11407'. Had no fill on bottom and no undergauge hole. Drilling from 11407' - 11549' with 50K WOB and 60 RPM. Daily ROP - 11.36'/hr

07/15/2003                      Depth                      11,791  
    Progress                      242  
 AFE:                      23162                      Present Operation: Drlg

Drlg f/11,549' to 11,791' with 30-45K WOB & 60 RPM, losing 8-10 bbls/hr to seepage, daily ROP 10'/hr Cum ROP 10.5'/hr.

07/16/2003                      Depth                      11,941  
    Progress                      150  
 AFE:                      23162                      Present Operation: Drlg

Drlg f/11,791' to 11,941' with 30K WOB & 55 RPM, lost approx. 100 bbls in last 24 hrs, daily ROP 6.25'/hr/Cum ROP 8-9'/hr.

07/17/2003                      Depth                      12,060  
    Progress                      119  
 AFE:                      23162                      Present Operation: CIRC for Logs

Drilling from 11941' - 12060' with 35K WOB and 55 RPM. Slug pipe and short trip 15 stands. No drag or fill on bottom. Circulate and condition for logs. Will drop survey to record angle at 11800' and get next survey on bottom when LDDP. Wireline will only go to 11500'. Patterson will have to change out wireline on rig move. Lost approximately 100 bbls of mud in last 24 hours.

07/18/2003                      Depth                      12,060  
    Progress                      0  
 AFE:                      23162                      Present Operation: Running Log #2

Trip out of hole for logs SLM - 12056'. Rig up loggers and run log # 1 to loggers TD of 12054'. Caliper tool failed while logging out of hole. Change out tools and rerun Triple Combo log # 1 from 12054' - casing shoe. Run log # 2 ( Resistivity and Sonic) from 12054' - surface.

07/19/2003                      Depth                      12,060  
    Progress                      0

AFE: 23162

Present Operation: Running 5-1/2" Casing

Running log # 2. Rigdown loggers. Trip in hole to 6500'. Circulate and condition mud. Had 15 - 20' flare for 10 minutes. Trip in hole to bottom at 12060' with no fill on bottom. Circulate and condition mud. Had 20 - 25' flare for 20 minutes. Decreased to zero. LDDP, break out kelly, and LDDC. Rig up casers and torque / turn equipment. Make up float equipment and run 5.5" casing. Presently have approximately 45 jts of casing in hole. No problems.

07/20/2003

Depth 12,060

Progress 0

AFE: 23162

Present Operation: ND BOP Stack

Ran 282 jts of 5.5/17/N&P/LTC casing to 12060', tag bottom, and hook up cmthead. No fill on bottom. Circulate gas to flare pit. Had 20 - 25' flare for 10 minutes and dropped off to zero. Rigdown casers. Cement with 20 BBLS FW Spacer, 1000 gal Superflush, 450 sx Interfill, 500 sx Super "H", and displace with 275 BBLS FW. Bumped plug and floats held. Had good circulation throughout job. Drop bomb to open DV Tool. Open DV Tool with 700 psi and pump 200 bbls of drilling mud with no returns. Shutdown and begin pumping 5 bbls / 15 minutes to keep DV ports open. No returns or visible fluid level in annulus. Pump second stage with 20 bbls FW spacer, 825 sx Interfill, 100 sx Premium neat, and displace with 163 bbls of FW. Landed plug and closed tool with no returns. Nippled down BOP stack. Set slips with string weight of 202K. Cut casing and laydown cutoff.

07/21/2003

Depth 12,060

Progress 0

AFE: 23162

Present Operation: Released Rig

Set out BOP Stack. Dress 5.5" casing stub and nipple up tubinghead. Test to 3000 psi. Clean steel pits. Ran Temperature Survey and found TOC at 5700'. Release rig at 1300 hrs-7/20/03