

UNITED STATES  
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.**

RECEIVED  
JUN 23 2006  
GULF ARTESIA

**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. <b>LC-028784-C</b>
2. Name of Operator <b>Gruy Petroleum Management Co.</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>PO Box 140907; Irving, TX 75014-0907</b>	3b. Phone No. (include area code) <b>972-401-3111</b>	7. If Unit or CA/Agreement, Name and/or No. <b>NM-70954-X</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>855' FSL &amp; 1330' FEL 24-17S-29E</b>		8. Well Name and No. <b>Grayburg Deep Unit No. 16</b>
		9. API Well No. <b>30-015-34141</b>
		10. Field and Pool, or Exploratory Area <b>Empire; Morrow, South</b>
		11. County or Parish, State <b>Eddy County, NM</b>

**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 <b>Set surface &amp; intermediate casing</b>
	<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, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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 recompletion 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.)
- 01/06/06 Spudded 17-1/2" hole.
- 01/07/06 Ran 12 jts 13-3/8" 48# H-40 STC casing to 520'. Cemented with lead of 250 sx Premium Plus + 2% calcium chloride + 4% Bentonite + 1/4 lbm Flocele (Density 13.7, Yield 1.68, Mix 8.69) and tail of 250 sx Premium Plus + 2% calcium chloride (Density 14.8, Yield 1.35, Mix 6.37). Circulated 117 sx to reserve pit. WOC 33.25 hrs.
- 01/08/06 Tested casing to 1000 psi for 30 minutes.
- 01/13/06 Pipe became stuck in hole at 2970'.
- 01/20/06 Could not remove stuck pipe. Cemented back to 2644' using 250 sx Premium Plus.
- 02/10/06 Drilled to 2970' and became stuck on fish again. Pumped 450 sx Premium cement (plugged back to 1114').
- 02/25/06 Ran 109 jts 9-5/8" 40# J-55 LTC casing to 4688. Cemented with lead of 3150 sx Interfill C and tail of 200 sx Premium Plus. WOC 29 hrs.
- 02/26/06 Tested casing to 1000 psi for 30 minutes.

ACCEPTED FOR RECORD

JUN 16 2006

LES BABYAK  
PETROLEUM ENGINEER

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

Natalie Krueger

Signature

*Natalie Krueger*

Title

Reg Tech

Date

April 3, 2006

**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)