Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(November 1994)

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NM 0441778-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SW 808

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Exxon Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015-32865

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

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

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SHL 515' FNL & 305' FEL Sec. 17 T24S - R26E
BHL 738' FNL & 1400' FEL Sec. 17 T24S-R26E

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

RECEIVED
SEP 2003
OCD - ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Set surface & Intermediate casing
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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.)

7-23-03 Spud well.

7-29-03 Reached 417' TD of 17-1/2" hole. Ran 10 jts 13.375/54.5/J55/STC casing to 417.'

7-30-03 Cemented with 300 sx of 13.7# Premium Plus, 150 sx of 14.8# Premium Plus & 58 bbls of FW. Bumped plug & float held. Circulated 140 sx to pit. WOC 26 hrs.

8-5-03 Reached 1938' TD of intermediate hole. Ran 45 jts of 9.625"/40/NS110/LTC casing to 1938.' Cemented with 750 sx of Halliburton light, 200 sx of Premium Plus. Displaced with 144 bbls of FW. Bumped plug and float held. Circulated 150 sx of cement to reserve pit. WOC 20.5 hrs.

ACCEPTED FOR RECORD
SEP 8 2003
LES BABYAK
PETROLEUM ENGINEER

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

Title
Production Assistant

Signature
Natalie Krueger

Date
September 3, 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

July 23, 2003 Thru August 5, 2003

OPERATED

WHITE CITY PROSPECT

GRUY PETROLEUM MANAGEMENT CO — W.I. Pct BCP 33.50 %

77002 EXXON FEDERAL COM 3 — W.I. Pct ACP 16.75 %

EDDY, NM — Sec 17, T24S, R26E — Morrow / 12,000'

07/23/2003 — Depth 224 — Progress 224

AFE: 23155 — Present Operation: Reaming to Bottom

Mix spud mud. Spud well and drill from 48' to 62'. Lost returns at 62'. Mix LCM sweep and pump. Regained circulation. Drill from 62' to 64' and lost returns. Drill string went through void from 64' - 75'. Call for trucks to haul water from well. Only had two trucks available. Drilling from 75' - 152' with no returns. Water at well starting to run out. Attempt to get other trucks from other companies, but all busy on rig hauls. Pick up off bottom and wait for water to build volume. Dry drilling from 152' - 224' with 5 trucks hauling and keeping up with water. Three trucks recalled to yard, because of hours worked. Ran out of water on location. Building volume in pits while working pipe. Ream back to bottom with no returns. Drillstring became stuck while making up 8" DC to drill ahead. Ream out of hole with 50 - 80K drag. Drill string came free at 75' when bit was pulled up into cavern. Pull up and inspect RMR and bit. Began reaming back to bottom.

07/24/2003 — Depth 224 — Progress 0

AFE: 23155 — Present Operation: Reaming to Bottom

Ream from 50' - 81'. When attempting to make connection, cannot get rotary bushings in table. Pick up and ream several times with same results. Mix high visc sweep and pump around while reaming. Had less drag while pumping, but still could not make connection. Pump bit out of open hole into conductor. Ordered 400 sx of cement from Halliburton and fiberglass to spot plug. Wait on Halliburton. Could not get fiberglass past 62'. Pick up bit, DC, and kelly. Work past fill down to 80'. Pump out of hole and laydown bit. Run fiberglass to 62' and pump 400 sx cement with no returns, but fluid came up into conductor. Wait on Cement. Surface samples set up in less than one hour. Pick up bit, DC, and kelly. Tag cement at 40', drill to 65' and lost returns. Drill on down to 80' and string began dragging when picking up for connection. Made connection and presently reaming below 85' with no returns.

07/25/2003 — Depth 152 — Progress 152

AFE: 23155 — Present Operation: Reaming Below 152'

Reaming from 85' to 112' with no returns and hole falling in as we are attempt to make conn; keep hole open by reaming while waiting for cmt from Hall, TOH; ran 75' of fiberglass tubing, could not get past that depth, hook up Hall & pump 400 sx of cmt, cmt came up into conductor pipe & btm of cellar when hole caved in around cellar; diameter of hole appears to be 14-15' & water level is about 8' below btm of cellar, ordered 1500 sx of Hall "light" cmt for cellar; wait on Hall & monitor hole around cellar, hole still falling in, but conductor pipe still in place, so it appears that cmt job worked as planned and caving is loose sand and rock below cellar; cmt with 400 sx of Hall "light" and cmt came up into cellar,
shoveling pea gravel into hole as we cmt, put 6 yards of gravel into hole along with the 400 sx of cmt; cmt did not fall back & samples set up firm in 3 hrs; PU bit & kelly, tag cmt at 35' & drill cmt down to 152' with full returns, ahving large amt of torque while raming through previously drilled hole, torque should go away once we start making new hole below 224'.

07/26/2003 — Depth 194 — Progress 42

AFE: 23155 — Present Operation: Working Drill String at 194'

Reaming from 152' - 155' with returns. Lost returns at 155' and ream to 175' pumping LCM sweep. Work

string out of hole to 80' and pulled free. Build volume in pits. Ream up and down to 121' and attempt to make connection with no success. Trip out of hole and laydown bit and RMR. Run 2.375" Fiberglass tubing to 108' and could not get any deeper. Wait on cement from Halliburton. Cement with 400 sx of Thixatropic at 108'. Level in conductor came up from 40' to flowline and cir- culated 5 - 7 bbls of water to pits. Drained 10' of good cement from bottom of conductor and level did not fall any farther. Pull on fiberglass tubing and surface joint broke just below rotary table. Wait on cement to set. Mud up in slug pit and transfer to frac tank. Will go to mud after drilling cement and circulate through steel pits. Tag cement at 23' and drill hard cement to 115'. Ream on to 194' with full returns and very high torque String became stuck at 194' and lost returns. Hole appears to have fallen in on drill string. Work drill string and attempt to rotate and circulate. Pulled up 5' to 189' and have partial returns. Kelly beginning to slip in rotary bushings.

07/27/2003 Depth 160
Progress 0
AFE: 23155 Present Operation: Working Pipe

Work stuck pipe at 189'. Kelly bushings stripped and kelly rounded off. Rotary chain broken and sprocket teeth worn off. Replacement parts coming from Hobbs, NM yard. Replace chain and sprocket on rotary table. Wait on kelly. Filling pits with water. Unload kelly, Smith Driving tool, and 2.375" tubing. Cut conductor underneath floor to break out kelly. Break out kelly and change out. Make up driving tool on 6" DC and drive bit down 9'. Laydown driving tool. Trip out of hole and build 100 bbls of 100 viscosity mud. Tagged fill at 120' while going in hole to open up for cement plug. Ream in hole from 120' to 197'. Had partial returns when sweep was pumped and hole was open. Ran out of mud and hole fell in at 160' while attempting to pull out. Work stuck pipe at 160'. Ran 5 jts of fiberglass tubing and wash down to 150'. Pumped 100 bbls of mud in attempt to wash fill from around drill string. Presently working pipe.

07/28/2003 Depth 133
Progress 0
AFE: 23155 Present Operation: Drlg Hard Cmt

Work drill string. Unable to rotate or reciprocate at 160'. Cut conductor pipe, break kelly, and stand back. Pickup one 6" DC, driving tool, and weld conductor pipe together. Drive on stuck pipe with driving tool. Made less than one foot driving down. Pickup 2.375" fiberglass tubing and run to 80', but could not wash or work down. Laydown fiberglass. Laydown driving tool and 6" DC. Make up joint of DP and attempt to pump sweep. DP pressure up to 2400 psi. Rig Halliburton and pump 100 bbls of high visc mud at 2600 psi until fill began moving. Pressure dropped slowly to 1200 psi at 8 bbls/min. Getting partial returns at flowline of mostly sand and gravel. String became free and TOOH. Standback DC. Tight at 120' pulling up to 90K and free above 115'. Pickup fiberglass tubing and run in hole to 186'. Pump 600 sx of Thixatropic cement with partial returns until 400 sx gone and then fluid level dropped. Wait on cement to set and began mudding up pits. Change out shaker screens and jet shale pit. Pickup bit and shock sub and tag cement at 23'. Began drilling hard cement at 37' and steadily get- ting harder. Presently at 133' and drilling with full returns. Viscosity of mud at 40 - 45. Shaker working very well at removing cement from mud.

07/29/2003 Depth 417
Progress 284
AFE: 23155 Present Operation: MU Cement Head

Drilling from 133' - 194' in hard cement. Laydown DP and run stand of DC in hole. Drilling from 194' - 258'. Once below 224', all torque went away. Wireline Survey at 209' - .5 degrees. Drilling from 258' - 401'. Conductor weld split from vibration and shaking of rig. Wait on welder and weld up conductor pipe. Drilling from 401' - 417'. TD surface hole. Circulate and condition for surface casing. Trip out of hole and standback DC. Rig up casers. Ran 10 jts of 13.375/54.5/J55/STC casing. Work each collar and centralizer past bridge at 120'. Fill each joint for weight. Presently laying down landing joint with bad threads. Threads were cut at machine shop from cutoff joint.

07/30/2003 Depth 417
Progress 0
AFE: 23155 Present Operation: Drlg New Formation below Shoe

Wash 10' to btm & MU cmt head; CIRC hole clean, RU Hall; pump 20 bbls FW spacer, 300 sx of 13.7# Premium Plus, 150 sx of 14.8# Premium Plus & 58 bbls of FW displacement, bumped plug & float held, CIRC 140 sx to pit; WOC; cut conductor & casing, weld on 13-3/8" wellhead, cool & test to 500#; NU BOP & flowline, jet pits & store 500 bbls of 8.6# drilling mud in frac tank; test blind rams & casing to 500#; MU BHA & TIH to 358', tag cmt at 358'; test pipe rams & annular preventer to 500#; drlg cmt,

FC @ 372' & hard cmt to shoe at 417'.

07/31/2003 Depth 1,018
Progress 601
AFE: 23155 Present Operation: Drilling

Drilling cement in float joint and guide shoe at 417'. Drilling formation to 449'. Rig Service. Drilling from 449' - 687' with 25K WOB and 70 RPM. Wireline Survey at 640' - 2.25 degrees. Drilling from 687' - 924' with 20K WOB and 75 RPM. Wireline Survey at 885' - 3.25 degrees. Drilling from 924' - 995' with 10 - 15K WOB and 75 RPM. Wireline Survey at 964' - 3 degrees. Drilling from 995' - 1018' with 15 - 20K WOB and 75 RPM. Daily ROP - 27.6'/hr

08/01/2003 Depth 1,263
Progress 245
AFE: 23155 Present Operation: Drlg

Drilling from 1018' - 1073' with 15K WOB and 75 RPM. Wireline Survey at 1056' - 3 degrees. Drilling from 1073' - 1168' with 10K WOB and 75 RPM. Wireline Survey at 1153' - 2.75 degrees. Drilling from 1168' - 1263' with 15K WOB and 75 RPM. Wireline Survey at 1216' - 3 degrees. Daily ROP - 10.8'/hr Cum ROP - 19.1'/hr Presently running 10K WOB.

08/02/2003 Depth 1,470
Progress 207
AFE: 23155 Present Operation: Drlg

Drilling from 1263' - 1359' with 10K WOB and 70 RPM. Wireline Survey at 1349' - 3 degrees. Drilling from 1359' - 1388' with 10K WOB and 75 RPM. Trip out of hole and pickup motor. Trip in hole with motor. Drilling from 1388' - 1443' with 5 - 7K WOB and 60 RPM. Wireline Survey at 1400' - 2.75 degrees. Drilling from 1443' - 1470' with 7 - 8K WOB and 60 RPM. Daily ROP - 10.8'/hr Cum ROP - 16.6'/hr

08/03/2003 Depth 1,700
Progress 230
AFE: 23155 Present Operation: Drlg

Drilling from 1480' - 1536' with 10K WOB and 45 RPM. Wireline Survey at 1526' - 2.5 degrees. Drilling from 1536' - 1656' with 15K WOB and 45 RPM. Wireline Survey at 1615' - 2.5 degrees. Drilling from 1656' - 1700' with 15K WOB and 45 RPM. Daily ROP - 10'/hr Cum ROP - 14.8'/hr

08/04/2003 Depth 1,930
Progress 230
AFE: 23155 Present Operation: Drlg-Running Fluid Caliper

Drilling from 1700' - 1728' with 10K WOB and 45 RPM. Wireline Survey at 1711' - 2.75 degrees. Drilling from 1728' - 1836' with 10 - 15K WOB and 70 RPM. Wireline Survey at 1813' - 3.25 degrees. Drilling from 1836' - 1930' with 10K WOB and 70 RPM. Daily ROP - 10'/hr Cum ROP - 13.86'/hr. Presently running fluid caliper.

08/05/2003 Depth 1,938
Progress 8
AFE: 23155 Present Operation: Testing BOPs

Drilling from 1930' - 1938'. TD intermediate hole. Circulate and condition for casing. Drop survey tool. Trip out of hole for casing. No hole problems on trip out. Rig up casers and run 45 joints of 9.625"/40/NS110/LTC casing to 1938'. Tag bottom and RU head. Circulate and condition. Cement with 750 sx of Halliburton Light, 200 sx of Premium Plus, and displace with 144 bbls of FW. Bump plug and float held. Circulated 150 sx of cement to reserve pit. Nippledown BOP stack and pickup to set slips. Hard cement around casing and 13.375" wellhead. Wash out around casing and wellhead and attempt to set slips. Casing to one side of wellhead and would not center. Cut off 9.625" casing and 13.375" wellhead while waiting on 9.625" weld on WH. Weld on 9.625" wellhead, cool and test to 1500 psi. Fabricate landing base. Nipple up BOP stack and weld on landing base to wellhead. Test blind rams and kill line valves. Presently changing out 2" valves on kill side and one 4" on choke manifold. Will fill cellar with ready mix to cover base plate on wellhead.