30-015-36727

OCT 16 2008

State of New Mexicon A

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

Pool Name

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

API Number

Property Code

1625 N. French Dr., Hobbs, NM 58240

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT I

DISTRICT II

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

Well Number

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

Pool Code

- '	.(1							
OGRID No.	CPIN	Elevation 3696'							
260972 GRUY PETROLEÚM MANAGEMENT CO., LLC 3696' Surface Location									
UL or lot No. Section	Township Range	Lot Idn Feet from th		Feet from the	East/West line	County			
н 36	16 S 29 E	1800	NORTH	660	EAST	EDDY			
Bottom Hole Location If Different From Surface									
UL or lot No. Section	Township Range	Lot Idn Feet from th	e North/South line	Feet from the	East/West line	County			
		<u> </u>	<u> </u>						
Dedicated Acres Joint	or Infill Consolidation	Code Order No.							
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	1		900,	of such a miner	he proposed bottom, i to a contract with al or working intere	est, or to			
·	İ	EO-0785-0004	l ř	a voluntary pool	ing agrèement or a ng order herelofore				
				0 6	7				
		SURFACE LOCATION Lat - N32*52'49.33"		Finda Smith 9.15					
1		Long - W104*01*18.37"	<u></u> 660′—	Signature	0.11	Date			
*		£ 636984.69	NMSPCE - N 684153.41 E 636984.69		A Smith				
		(NAD-83)		Printed Name					
EO-0785-0004		BQ-2175-0017 SURVEYOR CERTIF		R CERTIFICA	rion				
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	!			Certificate No	Gary L. Jone:	s 7977			
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Drilling Plan, Casing, Cementing, BOP and Mud Details

Gruy Petroleum Management Co., LLC Gruy Leonard 36 State Com 1

Unit Letter H

Section 32

T- 16S

R- 29E

Eddy County

New Mexico

1 Proposed Drilling Plan:

Drill a 17-1/2" hole to 450', run 13-3/8" casing and cement.

Drill a 12-1/4" hole to 3000', run 9-5/8" casing and cement.

Drill a 8-3/4" hole to TD of 11300', log, run 5-1/2" casing and cement.

2 Casing, Setting Depth and Cementing:

13-3/8" Surface

In 17-1/2" hole, run 13-3/8", 48#, H-40, STC casing to 450'.

Cement:

Lead of 165 sx Light Premium Plus cement + 1 #/sx Pheno Seal + 1% Calcium Chloride

Tail of 250 sx Premium Plus cement + 2% Calcium Chloride

TOC @ surface

9-5/8" Intermediate

In 12-1/4" hole, run 9-5/8", 40#, J-55, LTC casing to 3000'

Cement:

Lead of 590 sx Interfill C cement + 1 #/sx Pheno Seal

Tail of 250 sx of Premium Plus Cement + 1% Calcium Chloride

TOC @ surface

5-1/2" Production

In 8-3/4" hole, run 5-1/2", 17#, P-110, LTC casing to 11300'.

Cement:

Lead of 780 sx Interfill H cement + 1 #/sx Phen Seal + 0.1% HR-7 retarder

Tail of 485 sx Super H cement + 0.5% Halad 344 low fluid loss control + 0.25% D-AIR 3000 defoamer

+ 0.4% CFR-3 dispersant + 1 #/sx salt accelerator + 3 #/sx Pheno Seal

TOC @ 2700'

3 Pressure control (BOP) details:

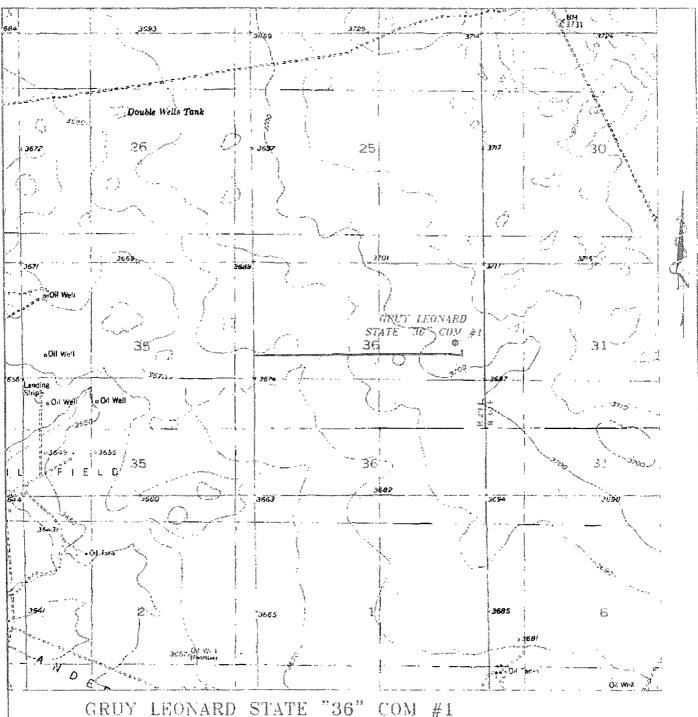
A 11" 5000 psi working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 3000'. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. BOP unit will be hydraulically operated. BOP will be nippled up on the 9 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

4 Mud Program - Closed Loop System

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 450'	8.4 - 9.2	28 - 34	May lose circ.	Fresh water gel spud mud. Add paper to control seepage. High viscosity sweeps to clean hole.
450' - 3000'	10.0	28 - 29	May lose circ.	Brine Add paper as needed to control seepage and add lime to control pH. Use high viscosity sweeps to clean hole.
3000' - 8700'	9.0 - 9.2	28 - 29	NC	Cut Brine. Add paper for seepage. Control pH. Use high viscosity sweeps as needed to clean hole.
8700' - 11300'	9.0 - 9.5	29 - 45	NC	Cut brine polymer mud. Adjust weight with brine as needed. Maintain pH Use high viscosity sweeps as needed to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

SECTION 36, TOWNSHIP 16 SOUTH, RANGE 29 EAST, N.M.P.M., NEW MEXICO. EDDY COUNTY, 150' NORTH OFF SET 3696.6 0 GRUY PETROLEUM MANAGEMENT CO., LLC GRUY LEONARD STATE "36" COM #1 150' EAST ELEV. - 3696' 150' WEST OFF SET 🗆 .0 3697.4 3693.4 Lat.-N 32*52'49.33" Long-W 104*01'18.37" (NAD-83) 150' SOUTH 1 OFF SET 3696.7' 11 281.4 166.0' 362.6' 212.7' 2-TRACK _1708.7'_ 1 1 1 1 1 1 1 1 200 200 400 FEET SCALE: 1" = 200' Directions to Location: GRUY PETROLEUM MANAGEMENT CO., LLC FROM THE JUNCTION OF HWY 82 AND KEWANEE (216), GO NORTH ON KWEANEE FOR 3.9 MILES TO 2-TRACK AND PROPOSED LEASE ROAD. REF: GRUY LEONARD' STATE "36" COM #1 / WELL PAD TOPO THE GRUY LEONARD STATE "36" COM #1 LOCATED 1800' FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF SECTION 36, TOWNSHIP 16 SOUTH, RANGE 29 EAST, BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO N.M.P.M., EDDY COUNTY, NEW MEXICO. W.O. Number: 20491 Drawn By: J. SMALL 08 14-2008 Sheet Sheets Disk: JMS 20191 Survey Date: 08-1/1-2008



GRUY LEONARD STATE "36" COM #1 Located 1800' FNL and 660 FEL Section 36, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

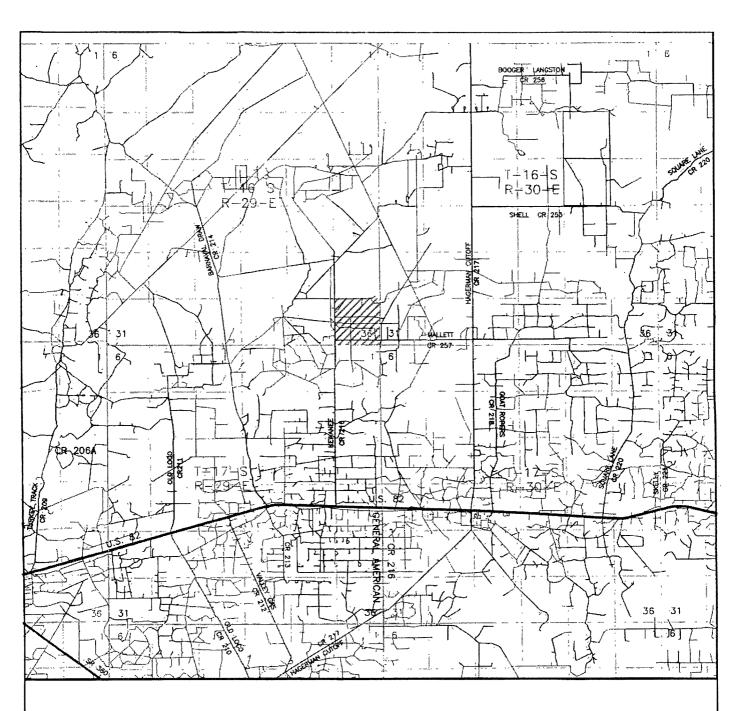


- 0 80% 1786 1120 N. West County Rd. Hobbs New Yorks 08241 1815 282-7718 - 21168

(575) 392-2206 - 1ax

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GRUY PETROLEUM MANAGEMENT CO., LLC



GRUY LEONARD STATE "36" COM #1 Located 1800' FNL and 660' FEL Section 36, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com

W.O. Number;	JMS- 20191
Survey Date:	08-11-2008
Scale, 1" = 2	? MILES -
Date: .08-14	-2008

GRUY PETROLEUM MANAGEMENT CO., LLC