

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. 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)

1750' FSL & 1650' FWL Sec. 22 T24S - R26E

5. Lease Serial No.  
NM 0402170

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
SW - 1034

8. Well Name and No.  
Allied "B" Federal Com 1

9. API Well No.  
30-015-20864

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 tag in casing and 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.)

11-13-03 MIRU Key Well Service to re-enter PA Allied B Federal # 1. Clean out and tag top of 9 5/8" casing stub at 1495'.

11-24-03 Continued to clean out to 5200'. Ran 7" N-80 23 # to 3064' could not get deeper. Cement w 1000 sx Class C circulate 28 sx to pit.

12-06-03 Clean out to 11700' TD

12-7-03 Ran 4 1/2" P-100 11.6 # to 11697' Cement w 1700 sx interfil, Super H and perm neat mixed. Will run CBL on completion to determine TOC.

12-08-03 Released rig. Waiting on completion.

ACCEPTED FOR RECORD

JAN 14 2004

LES BABYAK  
PETROLEUM ENGINEER

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

Zeno Farris

Title

Manager, Operations Administration

Signature

*Zeno Farris*

Date

January 8, 2004

**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**

**November 13, 2003 Thru December 10, 2003**

**OPERATED**

**CARLSBAD SOUTH**

GRUY PETROLEUM MANAGEMENT CO

**77182 ALLIED B FEDERAL #1**

EDDY, NM

Sec 22, T24S, R26E

W.I. Pct BCP 12.19 %

W.I. Pct ACP 12.19 %

Morrow / 11,700'

11/13/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation: Re-Enter Plugged Well

Locate Dry Hole Marker. Dig out and install cellar. Build Location. Cut-off Marker and weld on well head. Dig and Line Drilling Pits. MIRU Key Well Service. NU Spool, DSA and BOP. Off load and rack out drill string, PU and TIH w/ 12" magnet to sit down at 700'. TOH. Recovered small metal slivers and welding rods. PU and TIH w/ 12 1/4" Bit on 8- 43/4" DC'S. Shut in well and SDFN

11/14/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation: Re-Entry

NU flowline to pit for conventional drilling. TIH w/ 12 1/4" Bit on 8 - 4 3/4" DC"S on 3 1/2" 13.30# S-135 Drill Pipe. Tag cement at 700'. PU and NU 3.5 Swivel. Pump broke chain. RU pump truck to circulate water while pmp being repaired. Drill 254' cement to 954' in 6 hrs. Last 30' of cement drilling at rate of 3 minutes per foot. Circ hole clean and pull up to 894'. Secure well and Shut In . Prep to continue drill cement.

11/15/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation: Re-Entry

Lower 12 1/4" Bit. Tag fill at 934' ( 20' of fill ). Wash down and continue to drill cement from 954' to 980'. Bit fell free. Circ hole clean. RD Swivel. TIH w/ Bit. Tag at 1389'. RU Swivel and drill hard cement from 1389' to top of 9 5/8" csg stub at 1495'. Circ clean. TOH. LD 12 1/4" bit. PU 8 3/4" bit on 8 - 4 3/4" DC'S on one stand of 3 1/2" DP. SI and SDFN.

11/16/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation: Re-Entry

Continue TIH w/ 8 3/4" Bit, 8 - 4 3/4" DC'S and 3 1/2" DP. Tag top of 9 5/8" csg stub at 1495'. Drill out cement at 1495' down to 1515'. Bit fell free. Lower to 1550'. Circ hole clean in two hours. Continue to TIH w/ Bit to 3175'. Pull up hole w/ Bit to 1225'. Shut in and Shut down for nite.

11/17/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:

SDFWE.

11/18/2003                      Depth                      0  
Progress                      0

Thursday, 8 January, 2004

ALLIED B FEDERAL #1

AFE: 23709 Present Operation: Re-Entry

TIH w/ Bit. Tag bridge at 2667'. RU Swivel and clean out bridge from 2667' to 2697' by reverse circulation. Recovered cement, mud and formation. Returns cleaned up after 2 1/2 hrs. RD Swivel and continue in hole w/ Bit to 3175'. Break reverse circulation. Rec mud, cement & formation. Returns cleaned up after 2 hrs. Continue in hole to 3271'. Break reverse circulation. Rec mud, cement and formation. Returns cleaned up in one hour. Losing 20% of returns while reverse circulating till formation charges up. Formation flows back approx 50% of lost fluid after shutting down pump. Shut in and SDFN Prep to lower and check for fill and finish clean out.

11/19/2003  
Depth 0  
Progress 0  
AFE: 23709 Present Operation: Re-Entry

Trip back in hole w/ Bit. Tag fill at 3271'. RU Swivel and break reverse circulation. Clean out to 3333'. Unable to reverse clean due to Bit plugging w/ paper, formation and cement. Circulate conventional 2 hrs while repairing rig clutch and hoses on power swivel. No recovery. TOH w/ DP, DC'S and Bit. Bit plugged w/ paper and formation. Modify bit for reverse drilling. TIH w/ bit on 3 1/2" DP to 1225'. Left DC'S standing in Derrick. Shut in and SDFN

11/20/2003  
Depth 0  
Progress 0  
AFE: 23709 Present Operation: Re-Entry

Trip back in hole w/ Bit. Tag fill at 3318'. RU Swivel and break reverse circulation. Continue to clean out well bore w/ reverse circulation to 4805'. Recovering cement cuttings, drilling solids and paper. Circ clean. LD swivel. TOH to 1225' and SDFN. Prep to finish out of hole and Run csg inspection log.

11/21/2003  
Depth 0  
Progress 0  
AFE: 23709 Present Operation: Re-Entry

Finish TOH. RU Loggers. TIH w/ Csg Inspection Tool. Set down at 1445' (WLM). TIH w/ Junkbasket and Gauge Ring. Set down at 1445' (WLM). Could not work deeper. RD Loggers. TIH w/ 8 3/4" bit. Tag at 1495' (SLM). PU Swivel and attempt to rotate into 9 5/8" stub. No success. TOH. TIH w/ 6 1/4" OD Bullnose Bit Sub. Tag at 1495'. Could not work into stub. TOH. TIH w/ 7 5/8" OD Cut Lip Shoe. Set down at 1035'. Rotate tool free and continue TIH. Set down at 1385' in soft fill. Work down to 1400'. Could not work deeper. Tool stuck. Work free and TOH. Tool covered w/ formation and cement cuttings. Shut well in and Shut down for nite. Prep to LD rental work string.

11/22/2003  
Depth 0  
Progress 0  
AFE: 23709 Present Operation: Prep to run tubing

LD 3 1/2" DP and 4 3/4" DC'S out of derrick. ND 13 3/8" BOP. Load out and release same. Release all handling tools and misc equipment. RU floor and prep to run 2 7/8" tbg w/ muleshoe this A.M. Shut in well and Shut down for nite

11/23/2003  
Maintenance  
AFE: 23709 Present Operation: Lay down rental string

PU and TIH w/ 15' cut jt of 2 7/8" tbg w/ muleshoe bottom and 8 deg bend. TIH on 2 7/8" 8rd tbg. Tag and work thru tie spot at 1035'. Continue down to top of 9 5/8" csg stub at 1495'. RU Swivel and rotate into stub. RD swivel and continue in hole w/ remaining 2 7/8" 8rd tbg to 2895'. Truck in and off load 100 jts of 2 7/8" PH-6 (Intergal Joint) tbg and 82 jts of 7" 23# N-80 LT&C csg. Continue in hole w/ 2 7/8" IJ tbg. Tag soft fill at 4805'. Work and Spud down to hard set down at 5200'. Space out tbg leaving 4' above tbg spool. RU csg crew and tools. PU and TIH w/ 7" csg by stripping over stacked out 2 7/8" tbg. Rotate csg w/ tongs into stub at 1495'. Continue in hole w/ 7" csg. With 71 jts run at 3064' csg started taking weight and appeared to be buckling 2 7/8" tbg.. Land 7" csg on well head spool with Elevators. RD csg crew and tools. RU

floor and tbg tools. TOH w/ 2 7/8" tbg standing in derrick. Bottom 10 jts plugged w/ mud, formation and cement cuttings.( Bottom 20 jts cork screwed.) At report time, preparing to TIH and Lay down rental string before cementing 7" csg w/ Howco.

11/24/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:    WOC

TIH w 2 7/8" tbg string and lay down same. RU 7" csg tools and PU on csg. ND wellhead spools and strip over csg. RU Howco and cement 7" csg w/ 700 sks of Interfill 'C' neat. Tailed in w/ 300 sks of Class 'C' w 2% cacl2. Displaced wiper plug down to 3024' ( Leaving 40' of cement in csg ) . Shut in w/ 600 psi on csg. Circulated 28 sks cement to pit. Set 7" slips w/ 35K weight. Load out and truck off rental tbg and misc tools. Shut down for nite and WOC. Prep to cut off 7" csg and NU "B" section and Release Rig.

11/25/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:    Prep to MIRU

Bleed psi off csg. ND Howco cement head. Cut-off 7" csg stub. NU DSA. Install secondary packing and Nu "B" section Wellhead. Test same. Rig down and release Key Rig. Release load out remainder of rental equipment. Clean and repair location. Prep to MIRU Basic drilling rig

11/26/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:    MIRU

Began moving in the Basic Re-entry Rig. Plan to finish set up and have repairs to rig made over next few days. Report is temporarily dropped until well work begins again on Monday (12-01-03).

12/01/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:

Report is temporarily dropped until well work begins again on Monday (12-01-03).

12/02/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:    Re-Entry

Finish RU Basic Rig #1460. Rig's 7 1/16" x 5000# BOP had too small of bore to set 11" wellhead plug necessary to test stack to 5000#. ND BOP stack and order 11" x 5000# stack from Odessa. While waiting for stack Rig finished rigging up floor, gas buster, flow line and choke line. Tally and caliper DC'S and DP. TIH w/ 10 jts of DP at a time and stand in Derrick. Run and stand back total of 60 jts before stack arrived. Off load stack and NU as follows: 1 - 11" x 5000# x 24" spacer spool 1 - 11" x 5000# x 24" mud cross w/ dual manual 5000# gate valves 1 - 11" x 5000# Double Shaffer BOP 1 - 11" x 5000# Annular BOP 1 - 11" Rotating head. Finish NU flowline and mud cross to manifold. A.R.T. Preparing to Test BOPE

12/03/2003                      Depth                      0  
Progress                      0  
AFE:                      23709                      Present Operation:    Re-Entry

Monahans NU Service test BOP and associated equipment to 5000#. BLM notified, but did not witness. PU and TIH w/ 6 1/8" HTC mill tooth bit, 8 - 4 3/4" DC's on 3 1/2" Drill pipe to 2500'. TOH to DC's standing drill pipe in derrick. Continue to pick up drill pipe tripping in hole. Tag and drill cement from 2866' to 3077'.( All depths measured from KB of 21' ) Bit fell free. Continue in hole w/ Bit picking pipe off rack to 4810'. Dispalce hole w/ mud. Begin washing down and displacing hole w/ mud to 5216'. A.R.T. Washing and cleaning out well bore at 5216'.

12/04/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	Re-Entry
<p>Continue to clean and wash out well bore. Tagged CIBP at 5271'. Drill on CIBP approx 1 hour. Plug fell free. Well took 30 bbl pit gain. Put well on choke and circ out gas kick in 4 hours. Opened well. No flow. Lower bit to 5322'. Slow circ well while repairing choke and choke line, inlet line on gas buster, flowline and flow show saddle. Continue to clean and wash out well bore. Tagged and drill out cement plug from 5955' to 5985'. Returns included pieces of CIBP and wiper rubber from 7" cement job. Circ gas kick off in one hour. Continue to wash and clean out well bore to 7169'. Burning 5' to 10' continuous flare while cleaning out, but no flow on connections. A.R.T. Washing and cleaning out well bore at 7169'</p>		
12/05/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	
<p>Continue to clean and wash out well bore. Tagged CIBP at 8028'. Drill on CIBP approx 1 hour. Plug fell free. Continue to clean and wash out well to 8795'. Set down on CIBP and drill on plug for 4 hrs w/ light weight to avoid sidetracking. Continue to drill on cement plug at 8800' down to 8842'. Bit fell free. Circ bottoms up. Good blow of gas on bottoms up. Continue to clean and wash down to 10,000'. Tag cement plug. Drill plug to 10,100'. Bit fell free. Well start flowing. Took 30 bbl pit gain. Put well on choke and begin choking gas off at report time. A.R.T. Choking gas from hole at 10,150'</p>		
12/06/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	Re-Entry
<p>Finish choking out gas kick. Continue in hole w/ bit washing and cleaning out. Tag and drill cement from 10,950' to 11,310'. Bit fell free. Circulate well clean. Strong blow of gas at bottoms up. Continue washing and cleaning well bore down to TD at 11,700'. Reached at 16:00 CST. Circ 4 hrs. Strong blow if gas at bottoms up. Attempt to short trip to wipe hole. Bit dragging 40k over weight leaving bottom. Continue to circ and work pipe at TD for additional 3 hrs. Short trip up hole to 6000'. Normal drag off bottom. Strong blow of gas at bottoms up after short trip. Continue to circ and work pipe at TD while waiting for 4 1/2 " csg to be arrive from Houston Circ at TD. Waiting on csg</p>		
12/07/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	Re-Entry
<p>Off load, drift and tally 253 jts of 4 1/2" 11.60# P-110 LT&amp;C csg. TOH laying down Drill Pipe. Right Angle Drive Seal burnt up. Shut down rig for rig repairs at 19:30. Have 110 jts of DP + DC's left in hole to lay down. Working on Rig this A.M.</p>		
12/08/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	Re-Entry
<p>Complete rig repair. Finish lay down Drill Pipe and DC's. RU top drive to run csg. PU and TiH w/ 250 jts of 4 1/2" P-110 11.60# LT&amp;C csg. Csg seat at 11,697'. Float Collar at 11,650'. Stage Collar at 7012'. Circ gas off well in 3 hrs. Ru Howco. Mix and pmp 1st stage as follows: 500 gals of Superflush 400 sks of Interfill "H" w/ .1% HR-7 &amp; .25 PPS Flocele. Mixed at 11.9 PPG w/ yield of 2.41 500 gals of Superflush 500 sks of Super "H" w/ 2.5 salt, .2% HR-7, .5% gilsonite, .5% lap-1, .4% cfr-3 &amp; .25 flocele mixed at 13 ppg w/ yield of 1.18. Howco's pressurizer broke while displacing wiper plug. Finish displacing plug w/ rig pump. Bumped plug w/ 2400 psi at 2:30 A.M. Floats held. Drop bomb. Open stage collar and circ well w/ rig pump. Circ up 10 bbls cement off stage collar. Continue to circ and prepare for 2nd stage Circ well and prepare for 2nd stage cement</p>		
12/09/2003	Depth	0
	Progress	0
AFE: 23709	Present Operation:	Re-Entry

Circ well for 3 hrs while preparing for second stage. Howco mix and pmp as follows: 10 bbl frsh water spacer, 12 bbls of superflush & 10 bbls water 700 sks of interfill "C" neat mixed at 11.9 ppg and 100 sks prem neat mixed 15.6 ppg. Bumped plug at 10:00 CST w/ 700 psi. Closed tool w/ 2300 psi. Cement did not circulate and lost 90% of returns last 10 bbls of displacemnet. ND BOP. Lift and set 4 1/2" slips w/ 150k weight. Cut off csg and lay down stub. Finish ND Bop stack, chokes and misc equipment. Release all rental euipment and load out same. Jet and clean pits. Release Rig at 6:00 P.M. 12/8/03 Will nipple up tbq spool and tear down rig this A.M.

12/10/2003

Depth 0

Progress 0

AFE: 23709

Present Operation: Re-Entry

Nipple up Tbg spool ( 11"5000 x 7 1/16" 5000) w/ blind flange on top. Tear down rig and prep to move off location today. Drop well from reports until completion begins