

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)
1410' FNL & 1310' FEL Sec. 9 T24S - R26E

RECEIVED

MAR - 4 2004

OCD ARTESIA

5. Lease Serial No.
NM 0475051

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SRM - 1144

8. Well Name and No.
Pennzoil 9 Federal Com No. 4

9. API Well No.
30-015-32545

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

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Set production casing

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.)

01-24-04 Ran 55 jts of 4.5/11.6/HCP110/VAM Flush joint casing and TIW liner hanger to 12028.' Circulated gel slug for liner. Bottom of liner at 12028,' top of liner at 9543,' and length of liner is 499.'

01-25-04 Cement with 5 bbl spacer, 12 bbls Super Flush, 225 sx Super "H: cement. Reversed out and saw no cement to pits. Top of cement was at top of liner (9536'). Released rig to Liberty 24 Fed Com #1.

ACCEPTED FOR RECORD

MAR - 2 2004

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

Natalie Krueger

Signature

Title

Production Assistant

Date

February 24, 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

January 1, 2004 Thru January 27, 2004

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

76898 PENNZOIL 9 FEDERAL COM 4

EDDY, NM

Sec 9, T24, R26E

W.I. Pct BCP 5.27 %

W.I. Pct ACP 5.27 %

Morrow / 12,000'

01/01/2004

Depth 10,058

Progress 0

AFE: 22150

Present Operation: Picking up 3.5" DP

Nipple up BOP stack and install 3.5" pipe rams. Test BOP ram door seals, pipe rams, and choke manifold to 250 and 5000 psi. Test annular, blinds, and casing to 2500 psi. Performed Accumulator pump volume test. Ran temperature survey and found top of cement at 1350'. Jim Amos with BLM said they are satisfied with this and no further cementing will be necessary. Rig up laydown machine and tongs. Laydown all 4.5" DP in derrick. Change out kelly.

01/02/2004

Depth 10,077

Progress 19

AFE: 22150

Present Operation: Trip for Bit

Pick up BHA and 151 jts of DP off rack. Tag cement above DV tool at 5795'. Work on pump #1. Drill cement from 5795' - 5895' and DV Tool at 5895'. Pressure test casing to 1500 psi. Strap pipe on rack. Pick up drill pipe off rack. Rig down laydown machine. Drill cement, float collar at 10005' and cement in float joint. Test casing to 1500 psi. Drill Float Shoe at 10057'. Drill kelly down in new formation from 10058' - 10077'. Trip out of hole for new bit.

01/03/2004

Depth 10,275

Progress 198

AFE: 22150

Present Operation: Drlg

Trip out of hole for bit. Change out bit and trip in hole with bit # 7 to 10000'. Pick up rotatinghead. Wash and Ream 70' to bottom with no fill. Drilling from 10077' - 10275' with 20K WOB and 50 RPM. Daily ROP - 12.5'/hr.

01/04/2004

Depth 10,396

Progress 121

AFE: 22150

Present Operation: Trip for BHA Change

Drilling from 10275' - 10300' with 18 - 20K WOB and 50 RPM. Wireline Survey at 10230' - 4 degrees. Drilling from 10300' - 10395' with 8 - 10K WOB and 50 RPM. Wireline Survey at 10320' - 4.75 degrees. Drilling from 10395' - 10396' with 8K WOB and 50 RPM. Build slug and pump for trip out of hole. New morning tour crew. Trip out of hole for BHA change.

01/05/2004

Depth 10,464

Progress 68

AFE: 22150

Present Operation: Drlg

Trip out of hole. Move IBS up one DC and change out bit. Trip in hole with BHA. Cut drilling line. Rig Service. Trip in hole to 10350'. Wash 46' to bottom. No fill. Drilling from 10396' - 10464' with 8 - 12K WOB and 70 RPM.

01/06/2004	Depth	10,620
	Progress	156
AFE: 22150	Present Operation:	Drlg
<p>Drilling from 10464' - 10494' with 13K WOB and 70 RPM. Rig Service. Wireline Survey at 10458' - 4.25 degrees. Drilling from 10494' - 10587' with 15K WOB and 70 RPM. Wireline Survey at 10544' - 4.75 degrees. Drilling from 10587' - 10620' with 10 - 12K WOB and 70 RPM. Daily ROP - 7'/hr Have been using reserve pit water for makeup volume. Weight has dropped to 10 ppg.</p>		
01/07/2004	Depth	10,690
	Progress	70
AFE: 22150	Present Operation:	Drlg
<p>Drilling from 10609' - 10619' with 10K WOB and 70 RPM. Rig Service. Drilling from 10619' - 10682' with 10K WOB and 70 RPM. Wireline Survey at 10639' - 6 degrees. Drilling from 10682' - 10688' with 10K WOB and 70 RPM. Mix slug for trip. Trip out of hole for bit change. Change out bit and motor. Bit was 1/16" out of gauge. Trip in hole with bit # 10 to 10650'. Ream 38' to bottom. No fill on bottom. Drilling from 10688' - 10690' with 8K WOB and 70 RPM.</p>		
01/08/2004	Depth	10,808
	Progress	118
AFE: 22150	Present Operation:	Running WL Survey
<p>Drilling from 10670' - 10775' with 8K WOB and 70 RPM. Wireline Survey at 10711' - 5.75 degrees. Drilling from 10775' - 10808' with 8K WOB and 70 RPM.</p>		
01/09/2004	Depth	10,873
	Progress	65
AFE: 22150	Present Operation:	Drlg
<p>Ran 2 Surveys, because first one was a misrun. Wireline survey at 10776' - 5 degrees. Drilling from 10808' - 10841' with 8K WOB and 70 RPM. Wireline Survey at 10807' - 5.25 degrees. Drilling from 10841' - 10875' with 7K WOB and 70 RPM. Daily ROP - 2.988'/hr</p>		
01/10/2004	Depth	10,969
	Progress	96
AFE: 22150	Present Operation:	Running WLS
<p>Drilling from 10876' - 10883' with 8K WOB and 70 RPM. Pimp slug and trip out of hole for BHA and bit. Change out bit, stabilizers, and trip in hole. Break circulation at 6000' and trip in hole to 10883'. Drilling from 10883' - 10969' with 15K WOB and 70 RPM. Daily ROP - 6.7'/hr with bit #11. Daily ROP - 2.54'/hr with bit # 10.</p>		
01/11/2004	Depth	11,193
	Progress	221
AFE: 22150	Present Operation:	Running WLS
<p>Wireline Survey at 10935' - 5.25 degrees. Drilling from 10969' - 11193' with 15 - 25K WOB and 70 RPM. Daily ROP - 9.5'/hr.</p>		
01/12/2004	Depth	11,412
	Progress	219
AFE: 22150	Present Operation:	Drlg
<p>Wireline Survey at 11159' - 4.75 degrees. Drilling from 11193' - 11412' with 25 - 30K WOB and 70 RPM. Daily ROP - 9.4'/hr / Cum ROP - 8.9'/hr.</p>		
01/13/2004	Depth	11,545
	Progress	133

AFE: 22150 Present Operation: Drlg

Drilling from 11412' - 11432' with 25 - 30K WOB and 70 RPM. ROP began to slow down to 3'/hr and motor stalling. Pump slug and trip out of hole for new bit. Change out bit and motor. Change cutters on RMR. Bit was 3/4" out of gauge and RMR was 3/8" out. Trip in hole with bit to 6000'. Break circulation. Trip in hole to 11337'. Ream from 11337' - 11432'. Drilling from 11432' - 11545' with 25K WOB and 70 RPM. Made connection at 11544' and drilled to 11545' when string became stuck. Driller saw large amount of torque when setting string on bottom. Work stuck pipe with full returns. Able to work free by pulling 275K on drillstring. String wt was 180K. Set back on bottom and resume drilling at 6'/hr Daily ROP - Bit # 12 - 18.8'/hr BGG - 135u / Trip Gas - 445u / Drilling break from 11431' - 11545' in sandstone.

01/14/2004 Depth 11,575
Progress 30
AFE: 22150 Present Operation: TIH with Bit #13

Drilling from 11545' - 11575' with 7 - 15K WOB and 60 RPM. Started torqueing up with weight over 7K and pump pressure went up to 2500 psi. Backream 5 jts out of hole to 11373' with no problems. Added 50 bbls of oil to slug pit to bleed into system. Circulate and blend oil into mud. Build slug for trip. Work on weight indicator and drop survey tool. Trip out of hole. Change out bit, RMR, and IBS. Bit was one inch out of gauge, RMR was 3/8" out and IBS was 1/4". Trip in hole with BHA and one row of Drill Pipe. Cut drilling line. Trip in hole to 6000' and break circulation. Continue in hole to 8500' at report time.

01/15/2004 Depth 11,760
Progress 185
AFE: 22150 Present Operation: Drlg

Trip in hole with bit # 13 to 11468'. Ream 107' to bottom. Drilling from 11575' - 11760' with 20K WOB and 70 RPM. Daily ROP - 9.25'/hr.

01/16/2004 Depth 11,965
Progress 205
AFE: 22150 Present Operation: Drlg

Drilling from 11760' - 11965' with 20K WOB and 70 RPM. Daily ROP - 8.5'/hr.

01/17/2004 Depth 12,050
Progress 85
AFE: 22150 Present Operation: Repair Chain in Drawworks

Drilling from 11965' - 12022' with 20K WOB and 70 RPM. Rig service. Drilling from 12022' - 12050' with 20K WOB and 70 RPM. TD well at 12050'. Short trip into casing for logs. Pulled 4 stands and a double when string became stuck. Bit depth was at 11563', RMR at 11543', and IBS at 11513'. Work stuck pipe, pulling 300K and stacking out to 50K while working torque into string. Ordered 50 BBLS of oil to spot around BHA. Spot oil around BHA leaving 12 BBLS inside. Work stuck pipe. Called for fisherman and wireline unit for freepoint. Rig up freepoint unit and found string free down to 11513' at the top of IBS. Ran in backoff shot and backed off 2 DC above IBS. Chain out of hole and laydown shot joint. Make up screw in sub, pump out sub, bumper sub, and jars. Trip in hole with BHA. Broke chain in drawworks and presently repairing.

01/18/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: TOH

Repair third gear chain in drawworks. Trip in hole and screw on to fish at 11450'. Jar on fish at 11450'. Began circulating at slow rate thru fish. Stacking weight and torque on fish when letting brakes and jars cool. Made no progress at pushing fish downhole. Spot 50 bbls of oil around fish and BHA. Ran freepoint and found fish stuck in IBS. Ran backoff shot above IBS at 11513'. Recovered 2 DC above IBS. Chain out of hole.

01/19/2004 Depth 12,050
Progress 0

AFE: 22150 Present Operation: Jarring on Fish

Trip out of hole and laydown 2 DC and fishing tools. Pick up new jars and accelerator. Trip in hole with DC. Cut drilling line. Trip in hole with fishing assembly. Screw into fish and begin jarring. Jars went off one time and quit. Called for backoff operator and jar down while waiting. Called Bowen for new jars and accelerator. Backoff above IBS. Did not circulate. Left oil on spot around fish. Trip out of hole for jars. Change out jars and accelerator. Trip in hole with fishing assembly.

01/20/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: Wait on Elevators

Screw in to fish with no problem and began jarring down. Rig Service. Jar on fish. Made no progress down. Started jarring up for last hour and 45 minutes with no success. Freepoint and backoff at top of IBS. Chain out of hole and laydown fishing tools. Make up one joint of 5.75" wash pipe with cutlip on shoe. ID of cutrite is 4.75" and OD is 6 1/16". Trip in hole with wash pipe. Down for 45 minutes repairing 3.5" DP elevators. Pin came out of safety latch. Resume tripping in hole just after report time.

01/21/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: TOH with Fish

Trip in hole to top of fish at 11513'. Work washpipe over top of fish and saw 150 psi increase in pump pressure. Wash over one foot with 6K weight and no torque Increase weight to 18K and made two feet with moderate torque. Last six inches started torqueing up with 13 - 15K weight. Fish fell, torque and pump pressure dropped, and chased fish 45 feet downhole. Washpipe torqued up 15 feet below where fish fell and then dropped on through. Trip out of hole and laydown washpipe. Shoe was in good shape with bottom half inch of cutrite worn off. Makeup screw in sub, pump out sub, bumper sub, and jars. Trip in hole to top of fish at 11992'. Fish fell to bottom. Screw into fish and torque up. Able to circulate through fish while making up connection with 20K weight on bit. Slug DP for trip out of hole and shear disk in pump out sub. Set kelly back for trip out of hole with fish. Pulled three stands with no drag. Fourth stand had 10K in spot where IBS was stuck. No drag in RMR or bit there. No Weatherford Fishing cost on report, but wireline cost are current.

01/22/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: Logging Out on Run #1

Trip out of hole with fish. Laydown fish and fishing tools. IBS blades were cut off except for bottom 2 inches and had one inch gap in make up on connection. Trip in hole with bit and drill collars to 11500'. Ream to 11590'. Did not see bridge or drag when picking up on string. Trip in hole 4 stands and wash 5 jts to bottom. Had 12' of fill on bottom. Circulate and condition mud for logs. Strap out of hole for logs. Had minor drag just off bottom and 10K at 11515' - 11513'. Rig up Halliburton to log and run log # 1 - Triple Combo from 12018' to casing shoe at 10042'. DP strap was 12028'. 5' Flare for 5 minutes on bottoms up.

01/23/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: TIH to Condition

Logging with run # 1 - Triple Combo. Ran Full Wave Sonic on run # 2. Logging run # 3 - SFT. Made one trip out of hole to replace rubber pad on tool. Trip in hole with bit and drill collars.

01/24/2004 Depth 12,050
Progress 0
AFE: 22150 Present Operation: CIRC Liner on Bottom

Trip in hole with drillstring to bottom at 12028' as per strap. Circulate and condition for liner. Had 10 - 15' flare on bottoms up. Trip out of hole with drillstring. Rig up casers and run 55 jts of 4.5 / 11.6 / HCP110 / VAM Flush joint casing and TIW Liner hanger. Rigdown casers. Mix gel slug for liner and

circulate. Ran liner to bottom on 3.5" DP at 1 1/2 minutes per stand. Tag bottom at 12028' as per strap. Liner top at 9543' and length of liner is 2485'. Overlap is 499'. Rig up Halliburton and circulate liner on bottom.

01/25/2004

Depth 12,050

Progress 0

AFE: 22150

Present Operation: Released Rig

Circulate liner at 12028' as per measured and strap depth. Drop ball and hang liner at 12027' shoe depth and top of liner at 9536'. Cement with 5 bbl FW spacer, 12 bbls Super Flush, 225 sx Super "H" cement, and displace with Set packer at 9551', sting out of hanger, and pull 5 stands of DP. Reversed out and saw no cement to pits. Laydown DP and liner setting tool. Trip in hole with pipe and DC in derrick and laydown same. Break out kelly and open pipe ram doors. Change rams to 4.5". Nippled down BOP stack and laydown. Trim 7" casing stub and nipple up tubinghead. Test to 5K. Clean steel pits and release rig to Liberty 24 Fed Com # 1.