

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. Div-Dist. 2  
1301 W. Grand Avenue  
Altesia, NM 88210

FOR APPROVED  
OMB NO. 1004-0137  
Expires: December 31, 1991  
LEASE DESIGNATION AND SERIAL NO.

LC 065421

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other \_\_\_\_\_

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

3. ADDRESS AND TELEPHONE NO.

P O Box 140907 Irving Tx. 75014-0907

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 1650' FNL & 990' FWL

At top prod. interval reported below 1650' FNL & 990' FWL

At total depth 1650' FNL & 990' FWL

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUDDED

04-17-03

16. DATE T.D. REACHED

05-13-03

17. DATE COMPL. (Ready to prod.)

07-18-03

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

3283' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

11,996'

21. PLUG, BACK T.D., MD & TVD

11,982'

22. IF MULTIPLE COMPL., HOW MANY\*

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

All

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

White City; Penn 10650' - 11832'

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

Sequential Formation Tester; Multi-Sensor Multi Arm Caliper, Spectral Density, Dual Laterolog, Monopole

27. WAS WELL CORRED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 - 3/8" H-40	48 #	426'	17-1/2"	490 sx Prem Plus circ 200 sx to pit	
9-5/8" J-55	40 #	3205'	12 1/4"	985 sx Interfill C/Prem circ 107 sx to pit	
5-1/2" N-80	17#	11988'	8-3/4"	1935 sx Interfil C/Prem TOC 200'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	10600'	10600'

31. PERFORATION RECORD (Interval, size and number)

Please see attachment

MAR - 4 2004

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
07-19-03		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
07-25-03	24	48/64	→	-0-	804	108	N/A
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
2155	-0-	→	-0-	804	108	NA	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

NM C-122, Electric logs and Inclination Summary

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Natalie Kruger TITLE Production Assistant

DATE 3-2-04

\*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

**38.**

## GEOLOGIC MARKERS

[illegible]

**Bradley 14 Federal Com No. 1 Perforation/Fracture/Acidization Attachment****30-015-32672****Eddy County, New Mexico**

<b>Perforation Record</b>	<b>Acid, Shot, Fracture, Cement Squeeze, Etc.</b>	
	<b>Depth Interval</b>	<b>Amount and Kind of Material Used</b>
11824' - 11832' 6 jspf 48 Holes	11824' - 11832'	22000 gal 45# gel 7% KCL&CO2 / 17150# 18/40 versaprop
11600' - 11616' 6 jspf 96 Holes	11600' - 11616'	57250 gal 45# gel 7% KCL & CO2 / 38000# 18/40 versaprop
11252' - 11428' 6 spf 150 Holes	11252' - 11428'	86750 gal 45# gel 7% KCL & CO2 / 57070# 18/40 versaprop
10650' - 10804' 6 spf 144 Holes	10650' - 10804'	2000 gal NEFE HCL & N2

RECEIVED

Submit in duplicate to  
appropriate district office.  
See Rule 401 & Rule 1122

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

MAR - 5 2004  
Form C-122  
Revised October, 1999  
OCD-ARTESIA

## MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator GRUY PET MANAGEMENT CO.				Lease or Unit Name BRADLEY FED "14"			
Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 7/25/03		Well No. 1	
Completion Date 7/18/03		Total Depth 11996		Plug Back TD 11982		Elevation 3288 GL	
Csg. Size 5 1/2	Wt. 17	d 4.892	Set At 11996	Perforations: From: 10650 To: 11832		County EDDY	
Tbg. Size 2 3/8	Wt. 4.7	d 1.995	Set At 10600	Perforations: From: To:		Pool	
Type Well-Single-Bradenhead-G.G. or G.O. Multiple SINGLE				Packer Set At 10600		Formation STRAWN / MORROW	
Producing Thru Tubing		Reservoir Temp. °F 180	Mean Annual Temp. °F 60	Baro. Press. -P <sub>a</sub> 13.2		Connection SALES	
L 10600	H 10600	Gg 0.597	%CO <sub>2</sub> 3.654	%N <sub>2</sub> 0.52	%H <sub>2</sub> S N/A	Prover N/A	Meter Run 4.026
Taps FLG							

FLOW DATA				TUBING DATA				CASING DATA				Duration of Flow
No.	Prover Line Size	Orifice x Size	Press p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press p.s.i.g.	Temp. °F	Press p.s.i.g.	Temp. °F			
SI						2155	N/A	PKR	N/A			
1	4.026 X 1.000		293	1.1	92	2147						
2	4.026 X 1.000		294	3.4	95	2130						
3	4.026 X 1.000		296	14.1	97	2064						
4	4.026 X 1.000		301	56.6	88	1782						
5												

RATE OF FLOW CALCULATIONS							
No.	COEFFICIENT (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor F <sub>g</sub>	Super Compress Factor F <sub>pv</sub>	Rate of Flow Q. Mcfd
1							112
2							206
3	TOTAL	FLOW	METER				403
4							804
5							

No.	P <sub>r</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio	N/A	Mcf bbl.
1					A.P. I. Gravity of Liquid Hydrocarbons <td>N/A <td>Deg.</td> </td>	N/A <td>Deg.</td>	Deg.
2	TOTAL	FLOW	METER		Specific Gravity Separator Gas <td>0.597</td> <td>XXXXXXX</td>	0.597	XXXXXXX
3					Specific Gravity Flowing Fluid <td>N/A</td> <td>XXXXXX</td>	N/A	XXXXXX
4					Critical Pressure <td>686</td> <td>P.S.I.A. P.S.I.A.</td>	686	P.S.I.A. P.S.I.A.
5					Critical Temperature <td>345</td> <td>R. R.</td>	345	R. R.

P <sub>c</sub> 2168.2		P <sub>c2</sub> 4701	
No.	P <sub>t</sub> <sup>2</sup>	P <sub>w</sub>	P <sub>w</sub> <sup>2</sup>
1		2160.3	4666.9
2		2143.6	4594.9
3		2078.7	4320.8
4		1801.9	3247
5			

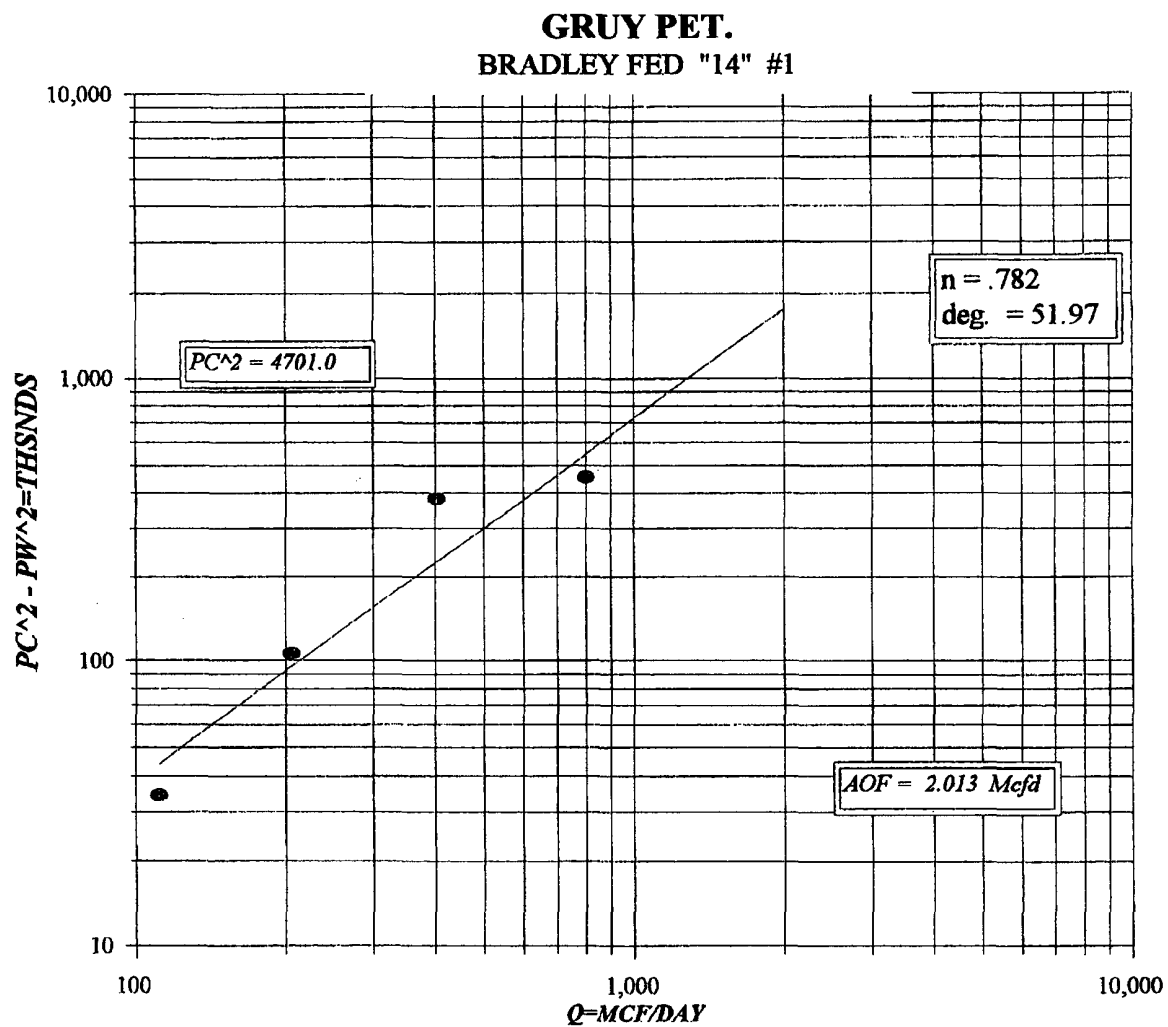
(1)  $P_c^2 = \frac{3.992}{P_c^2 - P_w^2}$  (2)  $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 2.592$

AOF = Q  $\left[ \frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 2.013$

Absolute Open Flow 2.013		Mcf/d @ 15.025	Angle of Slope (°): 51.97	Slope n: 0.782
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Remarks: \* NO LIQUID MADE DURING TEST.

Approved By Division:	Conducted By: PRO WELL TESTING	Calculated By: MERV BUECKER	Checked By: MB
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C122D FORM IMPORTED FROM SYMPHONY ON 9-9-01

COMPANY : GRUY PET. MANAGEMENT CO		LEASE : BRADLEY FED "14"		WELL NO. : 1		Pc = 2168.2		Pc2 = 4701.0	
UNIT : E		SECTION : 14		TOWNSHIP : 24S		P12 = 4666.5		Pw = 2160.3	
L : 10600	H : 10600	L/H : 1	G/GMIX : 0.597	DATE : 7/25/03		4593.3		2143.6	
%CO2 : 3.654	%N2 : 0.52	H2S : 0.018183	GH : 8197.0	RANGE : 26E		4314.8		2078.7	
d : 1.995	Fr : 0.018183					3222.7		1801.9	
VOL 1 : 112		PSIA 1 : 2160.2		RESV.TEMP : 180.0		Pc2-Pw2 = 34.1		Pw2 = 4666.9	
VOL 2 : 206		PSIA 2 : 2143.2		SHUT-IN PREI = 2168.2		106.1		4594.9	
VOL 3 : 403		PSIA 3 : 2077.2				380.2		4320.8	
VOL 4 : 804		PSIA 4 : 1795.2				1454.0		3247.0	
PCR : 686		TCR : 345				n = 0.782			
LINE		RATE 1		RATE 2		RATE 3		RATE 4	
		1ST		2ND		1ST		2ND	
1	QM	0.112	0.112	0.206	0.206	0.403	0.403	0.804	0.804
2	TW	534	534	534	534	534	534	534	534
3	TS	640.0	640.0	640.0	640.0	640.0	640.0	640.0	640.0
4	T	587.0	587.0	587.0	587.0	587.0	587.0	587.0	587.0
5	PR (est)	3.15	3.12	3.03	3.03	2.62	2.62	2.503	2.503
6	Z (est)	0.844	0.843	0.844	0.843	0.842	0.852	0.844	0.844
7	TZ	495.3	494.8	495.4	494.7	495.9	494.5	499.9	495.5
8	QH/TZ	16.551	16.565	16.547	16.568	16.528	16.576	16.398	16.542
9	aS	1.860	1.861	1.860	1.861	1.859	1.862	1.850	1.859
10	i-e-S	0.462	0.463	0.462	0.463	0.462	0.459	0.462	0.462
11	P1	2160.2	2160.2	2143.2	2143.2	2077.2	2077.2	1795.2	1795.2
12	P12 / 1000	4666.5	4666.5	4593.3	4593.3	4314.8	4314.8	3222.7	3222.7
13	Fr	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183
14	Fc=F/TZ	9.005	8.998	9.008	8.996	9.018	8.992	9.089	9.010
15	FcQm	1.01	1.01	1.86	1.85	3.63	3.62	7.31	7.24
16	L/H(FcQm)2	1.0	1.0	3.4	3.4	13.2	13.1	53.4	52.5
17	Fw	0.4703936	0.469878	1.5918331	1.5892289	6.1010181	6.0786171	24.529256	24.2578476
18	Pw2	4666.9	4666.9	4594.9	4594.9	4320.9	4320.8	3247.3	3247.0
19	Ps	8681.2	8685.8	8545.9	8552.7	8030.6	8044.9	6005.9	6037.8
20	P	2946.4	2947.2	2923.3	2924.5	2833.8	2836.4	2450.7	2457.2
21	P	2553.3	2553.7	2533.3	2533.8	2455.5	2456.8	2122.9	2126.2
22	Pr	3.72	3.72	3.69	3.69	3.58	3.58	3.09	3.10
23	Tr	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
24	Z	0.843	0.843	0.843	0.843	0.842	0.842	0.844	0.844

FORM C122-D

**Laboratory Services, Inc.**4016 Fiesta Drive  
Hobbs, New Mexico 88240

Telephone: (505) 897-3713

**FOR:**Pro Well Testing & Wireline  
P. O. Box 791  
Hobbs, New Mexico 88241**SAMPLE:**IDENTIFICATION: Bradley 14 #1  
COMPANY: Gruy Petroleum  
LEASE:  
PLANT:**SAMPLE DATA:**DATE SAMPLED: 7/25/03  
ANALYSIS DATE: 7/25/03  
PRESSURE - PSIG 299  
SAMPLE TEMP. °F 93  
ATMOS. TEMP. °FGAS (XX) LIQUID ( )  
SAMPLED BY: B. P.  
ANALYSIS BY: Vickie Biggs**REMARKS:**Sample taken @ the meter run.  
Strawn Morrow Formation**COMPONENT ANALYSIS**

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.520	
Carbon Dioxide (CO2)	3.654	
Methane (C1)	94.718	
Ethane (C2)	1.014	0.271
Propane (C3)	0.099	0.027
I-Butane (IC4)	0.000	0.000
N-Butane (NC4)	0.000	0.000
I-Pentane (IC5)	0.000	0.000
N-Pentane (NC5)	0.000	0.000
Hexane Plus (C6+)	0.000	
	100.000	0.298

BTU/CU.FT. - DRY 977  
AT 14.650 DRY 974  
AT 14.650 WET 957  
AT 14.73 DRY 979  
AT 14.73 WET 962

MOLECULAR WT. 17.2943

SPECIFIC GRAVITY -  
CALCULATED 0.597  
MEASURED

OPERATOR: GRUY PETROLEUM  
WELL/LEASE: BRADLEY FED. COM. 1  
COUNTY: EDDY

075-0019

STATE OF NEW MEXICO  
DEVIATION REPORT

195	3/4	5,142	1
426	1 1/2	5,616	1 1/2
794	2	5,999	1
889	3 1/4	6,440	3/4
984	4 1/2	6,914	3/4
1,047	4 1/4	7,394	1 1/4
1,080	4 1/4	7,868	1 3/4
1,110	4	8,278	1 1/2
1,143	3 1/4	8,754	1
1,175	3 1/2	9,254	3/4
1,206	3 1/2	9,736	1
1,238	3 3/4	10,236	1
1,270	3 1/2	10,649	1 1/2
1,301	3 1/4	11,123	1
1,333	3	11,407	1
1,364	3	11,907	1 1/2
1,396	3	11,996	3/4
1,428	2 1/2		
1,460	2 3/4		
1,491	2 1/4		
1,523	1 3/4		
1,555	1		
1,618	3/4		
1,681	1		
1,808	3/4		
2,060	3/4		
2,408	3/4		
2,821	1/2		
3,205	1/2		
3,682	3/4		
4,158	1/4		
4,666	3/4		

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MAR - 5 2004

OCD-ARTESIA

By: Steve Moore

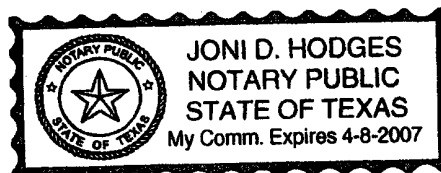
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 19th day of May, 2003, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

Joni D. Hodges  
Notary Public for Midland County, Texas

My Commission Expires: 4/08/2007







# HOLLAND & HART



Wednesday, February 11, 2004

To: Zeno Farris Fax : (469) 420-2710  
Gruy Petroleum Management Co. Phone: (972) 443-6489

From: Michael H. Feldewert Fax : (505) 983-6043  
Phone: (505) 988-4421

Message:

No Confirmation Copy

Number of pages including cover sheet: 7

Note: If this fax is illegible or incomplete please call us. This fax may contain confidential information protected by the attorney-client privilege. If you are not the named recipient, you may not use, distribute or otherwise disclose this information without our consent. Instead, please call (505) 988-4421; we will arrange for its destruction or return.

Attorney Number:	<u>5104</u>	Client/Matter:	<u>44524-0006</u>	Time Deadline:	<u>                    </u>
Operator Initials:	<u>jlp</u>	Date Transmitted:	<u>2/11/04</u>	Time Transmitted:	<u>                    </u>

Holland & Hart LLP Attorneys at Law

Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

Jefferson Place 110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, New Mexico 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.



**Michael H. Feldewert**  
Recognized Specialist in the Area of  
Natural Resources - oil and gas law -  
New Mexico Board of Legal Specialization

mfeldewert@hollandhart.com

February 11, 2004

**VIA FACSIMILE**

Zeno Farris  
Gruy Petroleum Management Co.  
P.O. Box 140907  
Irving, TX 75014-0907

Re: White City-Pennsylvanian Gas Pool  
Section 14, T-24-S, R-26-E  
Eddy County, New Mexico

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MAR - 5 2004

OCD-ARTESIA

Dear Zeno:

Following is Order No. R-12097 approving expansion of the above referenced pool. Please note that under order paragraph (2) on page 5, Gruy needs to file a Form C-102 with the Artesia Office dedicating 640 acres to the Bradley Federal Com Well No. 1.

Thank you for the opportunity to represent Gruy in this matter, and give my regards to Rob Daws and H.C. Lee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael H. Feldewert".

Michael H. Feldewert

MHF/jlp

Attachment

3192351\_1.DOC

**Holland & Hart LLP Attorneys at Law**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

Jefferson Place 110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, New Mexico 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

RECEIVED

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

MAR - 5 2004

OCD-ARTESIA

**CASE NO. 13139 (NOMENCLATURE)  
ORDER NO. R-12097**

**APPLICATION OF GRUY PETROLEUM MANAGEMENT COMPANY TO  
EXPAND THE WHITE CITY-PENNSYLVANIAN GAS POOL, EDDY COUNTY,  
NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on October 9 and November 20, 2003, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9<sup>th</sup> day of February, 2004, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given; and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Gruy Petroleum Management Company ("Gruy"), seeks to expand the horizontal boundaries of the White City-Pennsylvanian Gas Pool to include all of Section 14, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) Division records demonstrate that the White City-Pennsylvanian Gas Pool currently comprises the following-described area in Eddy County, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM**

Sections 8 and 9:	All
Sections 15 through 17:	All
Sections 19 through 22:	All
Sections 26 through 35:	All

**Case No. 13139**  
**Order No. R-12097**  
**Page 2**

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**TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM**

Sections 1 through 4: All  
Sections 10 through 14: All

**TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM**

Section 7: All

(4) The White City-Pennsylvanian Gas Pool is currently governed by the "Special Rules and Regulations for the White City-Pennsylvanian Gas Pool," as established by Division Order No. R-2429, as amended, and which require that:

- (a) wells shall be located on a standard unit containing 640 acres, more or less, consisting of a single governmental section;
- (b) no more than four wells shall be drilled on a standard 640-acre unit. No more than one well shall be drilled on each quarter section within the 640-acre unit; and
- (c) initial and infill wells shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(5) Section 14, on its western boundary, is adjacent to the White City-Pennsylvanian Gas Pool. Section 14, on its northern boundary, is adjacent to the South Carlsbad-Morrow Gas Pool. This pool is currently spaced on 320 acres and is governed by Division Rule No. 104.C which allows a well density of one well per quarter section. Rule No. 104.C also requires a well to be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

**Case No. 13139**  
**Order No. R-12097**  
**Page 3**

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(6) The vertical limits of the White City-Pennsylvanian Gas Pool include the Cisco, Canyon, Strawn, Atoka and Morrow intervals. The vertical limits of the South Carlsbad-Morrow Gas Pool include only the Morrow interval.

(7) Gruy presented evidence that demonstrates that:

- (a) Section 14 is comprised of two separate Federal leases. Federal Lease No. LC-065421 encompasses the E/2 and NW/4 of Section 14, and Federal Lease No. LC-0402170 encompasses the SW/4 of Section 14;
- (b) there is an existing joint operating agreement (JOA) in effect for Section 14. This JOA, which has been in effect since 1968, has been executed by all working interest owners within this section. The effect of the JOA is that it makes the working interest ownership uniform throughout all of Section 14; and
- (c) Gruy is also currently obtaining approval of a communitization agreement that encompasses all of Section 14. After Gruy has obtained the consent of all the interest owners in Section 14, this agreement will be submitted to the United States Bureau of Land Management (BLM) for its approval.

(8) Gruy presented further evidence that demonstrates that:

- (a) it has recently drilled the Bradley Federal Com Well No. 1 (API No. 30-015-32672) at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit B) of Section 14. This well is currently completed in and producing from the Strawn and Morrow formations;

**Case No. 13139**

**Order No. R-12097**

**Page 4**

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- (b) the Bradley Federal Com Well No. 1 is producing from Strawn and Morrow pay sands that are fairly continuous and correlatable to wells that are producing within the White City-Pennsylvanian Gas Pool; and
- (c) Gruy is proposing to drill three additional wells within Section 14 to test the Pennsylvanian interval. These proposed wells are the Bradley Federal Com Wells No. 2, 3 and 4, located respectively in SW/4, NE/4 and SE/4.

(9) Gruy testified that expanding the White City-Pennsylvanian Gas Pool to include Section 14 will allow the recovery of gas reserves in the Strawn and Morrow formations that may otherwise not be economically recovered if it is required to produce these zones separately.

(10) The evidence further demonstrates that by virtue of the existence of the JOA and communitization agreement, Section 14 is more suited to be placed within a pool spaced on 640 acres.

(11) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(12) Approval of the application will afford the applicant the opportunity to economically produce the oil and gas reserves within the Pennsylvanian formation underlying Section 14, and will not violate correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) Pursuant to the application of Gruy Petroleum Management Company, the White City-Pennsylvanian Gas Pool, located within portions of Township 24 South, Range 26 East, and Township 25 South, Ranges 26 and 27 East, NMPM, Eddy County, New Mexico, is hereby expanded to include Section 14, Township 24 South, Range 26 East, NMPM.

**Case No. 13139**

**Order No. R-12097**

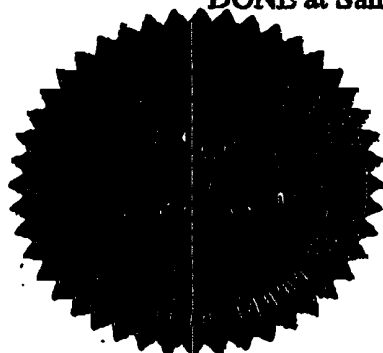
**Page 5**

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(2) In accordance with the pool expansion approved herein, the applicant shall file with the Artesia District Office of the Division a Division Form C-102 dedicating 640 acres to the Bradley Federal Com Well No. 1 (API No. 30-015-32672) located at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 14.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Lori Wrotenbery*  
LORI WROTENBERY  
Director

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32672	Pool Code 87280	Pool Name White City; Penn
Property Code	Property Name Bradley 14 Federal Com	Well Number 001
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3283'

Surface Location

UL or lot No. E	Section 14	Township 24-S	Range 26-E	Lot Idn	Feet from the 1650'	North/South line NORTH	Feet from the 990'	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 650.10	Joint or Infill Y	Consolidation Code C	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature Zeno Farris Printed Name Mgr. Operations Admin. Title February 26, 2004 Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 11, 2002</p> <p>Date Surveyed Signature &amp; Seal of Professional Surveyor Professional Surveyor NEW MEXICO 12/12/02 0211.0945 Certificate No. RONALD E. EIDSON 3239 GARY EIDSON 12641</p>
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