

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)  
900' FNL & 1200' FWL Sec. 11 T24S - R26E

5. Lease Serial No.  
LC 064200

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM94531

8. Well Name and No.  
O'Neill Federal No. 2

9. API Well No.  
30-015-32237

10. Field and Pool, or Exploratory Area  
South Carlsbad, Morrow

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.)

02/04/03 Reached TD of 11940'. Ran 5.5" casing to 11940'. Cement first stage with 500 sx of lead and 400 sx of tail with full returns. Circulate out 139 sx of cement. Cement second stage with 490 sx lead and 100 sx tail with full returns.

02/05/03 Found TOC at 2750'. Released rig at 0500 hrs.

ACCEPTED FOR RECORD

FEB 11 2003

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Title

Production Assistant

Signature

Date

February 7, 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)

RECEIVED  
2003 FEB 10 AM 10:10  
BUREAU OF LAND MGMT.  
ROSSELL OFFICE

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

January 10, 2003 Thru February 7, 2003

### OPERATED

#### CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

**76742 ONEILL FEDERAL 2**

EDDY, NM

W.I. Pct BCP 85.94 %

W.I. Pct ACP 85.94 %

Morrow / 12,000'

01/10/2003 Depth 4,155  
Progress 920  
AFE: 22039 Present Operation: Drlg

Pickup BHA and trip in hole. Tag cement at 3180'. Drill cement, float collar at 3190', and cement in float joint. Test casing to 2200 psi for 30 minutes. Drill float shoe at 3235' and 5' of new formation. Run P.I.T. to 300 psi. EMW of 10.1 ppg. Drilling from 3240' - 3789' with 40K WOB and 45 RPM on rotary. Wireline Survey at 3717' - One degree. Drilling from 3789' - 4155' with 40K WOB and 45 RPM. Daily ROP - 51.1'/hr.

01/11/2003 Depth 5,080  
Progress 925  
AFE: 22039 Present Operation: Drlg

Drilling from 4155' - 4265' with 40K WOB and 45 RPM rotary. Motor turning 130 RPM. Wireline Survey at 4193' - .75 degrees. Drilling from 4265' - 4774' with 40K WOB and 45 RPM rotary. Wireline Survey at 4693' - .75 degrees. Drilling from 4774' - 5080' with 40K WOB and 45 RPM rotary. Daily ROP - 40.2'/hr / Cum ROP - 45'/hr.

01/12/2003 Depth 5,830  
Progress 750  
AFE: 22039 Present Operation: Drlg

Drilling from 5080' - 5251' with 40K WOB and 45 RPM rotary. Wireline Survey at 5181' - One degree. Drilling from 5251' - 5728" with 40K WOB and 45 RPM rotary. Wireline Survey at 5656' - One degree. Drilling from 5728' - 5830' with 40K WOB and 45 RPM rotary. Daily ROP - 32.6'/hr / Cum ROP - 41.1'/hr.

01/13/2003 Depth 6,535  
Progress 705  
AFE: 22039 Present Operation: Drlg

Drilling from 5830' - 6204' with 40K WOB and 45 RPM rotary. Bit speed 175 RPM. Wireline Survey at 6132' - 1.75 degrees. Drilling from 6204' - 6535' with 40K WOB and 55 RPM rotary. Increase pump to 115 strokes with bit speed at 205 RPM. Daily ROP - 30'/hr / Cum ROP - 38.1'/hr.

01/14/2003 Depth 6,810  
Progress 275  
AFE: 22039 Present Operation: Drlg

Drilling from 6535' - 6596' with 40K WOB and 45 RPM rotary. Bit speed - 205 RPM. Wireline Survey at 6546' - 1.25 degrees. Trip out of hole for bit. Found one drill collar cracked just above hard band. Bit was half inch under- gauge and RMR was a 1/4" undergauge. Change out bit, IBS, and rollers on RMR. Trip check all DC. Found 2 additional 6" DC bad in string. Laydown and did not replace. Cut drilling line. Trip in hole to 6475'. Ream 120' of undergauge hole to bottom. Drilling from 6596' -

Friday, 7 February, 2003

ONEILL FEDERAL 2

6810' with 40K WOB and 45 RPM rotary. Bit speed - 205 RPM. Daily ROP - 26.1'/hr.

01/15/2003	Depth	7,665
	Progress	855
AFE: 22039	Present Operation:	Drlg
<p>Drlg f/6810' to 7090' with 45K WOB &amp; 45 RPM rotary; WLS at 7052' = 1.5 degs; drlg f/7090' to 7608' with 40K WOB &amp; 45 RPM rotary; WLS at 7535' = 2 degs; drlg f/7608' to 7665' w/35K WOB &amp; 45 RPM rotary, bit speed - 208 RPM; daily ROP - 37'/hr / Cum ROP - 35.6'/hr;</p>		
01/16/2003	Depth	8,140
	Progress	475
AFE: 22039	Present Operation:	Drlg
<p>Drilling from 7665' - 7799' with 25K WOB and 45 RPM rotary. Rig Service. Drilling from 7799' - 7958' with 20 - 25K WOB and 45 RPM. Wireline Survey at 7886' - 3 degrees. Drilling from 7958' - 8116' with 15K WOB and 55 RPM rotary. Drilled 30' with 10K WOB. Wireline Survey at 8072' - 2.75 degrees. Drilling from 8116' - 8140' with 15K WOB and 55 RPM. Daily ROP - 21.1'/hr / Cum ROP - 29.4'/hr</p>		
01/17/2003	Depth	8,340
	Progress	200
AFE: 22039	Present Operation:	Drlg
<p>Drilling from 8140' - 8306' with 10 - 15K WOB and 55 RPM rotary. Wireline Survey at 8263' - 2.75 degrees. Drilling from 8306' - 8340' with 10K WOB and 70 RPM rotary and 100 spm on pump. Daily ROP - 8.5'/hr / Cum ROP - 22.9'/hr.</p>		
01/18/2003	Depth	8,530
	Progress	190
AFE: 22039	Present Operation:	Trip for New Bit
<p>Drilling from 8340' - 8370' with 12K WOB and 55 RPM rotary. Wireline Survey at 8358' - 2.5 degrees. Drilling from 8370' - 8498' with 15 - 20K WOB and 55 RPM rotary. Wireline Survey at 8455' - 2.25 degrees. Drilling from 8498' - 8530' with 20K WOB and 45 RPM. ROP starting to drop slightly. Sweep hole. Trip out of hole for new bit. Daily ROP - 8.6'/hr / Cum ROP - 19.7'/hr.</p>		
01/19/2003	Depth	8,783
	Progress	253
AFE: 22039	Present Operation:	Drlg
<p>Trip out of hole. Pick up new bit, motor, and RMR and trip in hole to 8490'. Wash and ream 40' to bottom. Drilling from 8530' - 8668' with 20 - 25K WOB and 50 RPM rotary. Wireline Survey at 8616' - 2.25 degrees. Drilling from 8668' - 8783' with 20K WOB and 55 RPM rotary. Daily ROP - 15.3'/hr.</p>		
01/20/2003	Depth	8,990
	Progress	207
AFE: 22039	Present Operation:	Drlg
<p>Wireline Survey at 8711' - 2.5 degrees. Drilling from 8783' - 8942' with 15K WOB and 55 RPM rotary. Wireline Survey at 8870' - 2 degrees. Drilling from 8942' - 8990' with 15K WOB and 55 RPM. Daily ROP - 9'/hr / Cum ROP - 11.5'/hr</p>		
01/21/2003	Depth	9,188
	Progress	198
AFE: 22039	Present Operation:	Drlg
<p>Drlg f/8990' to 9038' with 15K WOB &amp; 55 RPM rotary; WLS at 8994' = 2 degs; drlg f/9038' to 9133' with 15K WOB &amp; 65 RPM rotary; WLS @ 9090 = 1.75 degs, install rotatinghead rubber; drlg f/9133' to 9188' with 20K WOB &amp; 55 RPM rotary; daily ROP 9.9' / cum ROP 10.5'/hr.</p>		
01/22/2003	Depth	9,555

Friday, 7 February, 2003

ONEILL FEDERAL 2

AFE:	22039	Progress	367
		Present Operatio	Drlg
<p>Drilling from 9188' - 9292' with 20K WOB and 55 RPM rotary. Wireline Survey at 9220' - 1 degree. Install flowline Flow show and rotary sensor. Drilling from 9292' - 9555' with 25 - 30K WOB and 50 RPM rotary. Daily ROP - 15.9'/hr / Cum ROP - 11.9'/hr.</p>			
01/23/2003		Depth	9,925
		Progress	370
AFE:	22039	Present Operation:	Drlg
<p>Drilling from 9555' - 9642' with 30K WOB and 50 RPM rotary. Wireline Survey at 9567' - 1.25 degrees. Drilling from 9642' - 9925' with 30K WOB and 50 RPM rotary. Increased pump to 115 spm. Daily ROP - 15.7'/hr / Cum ROP - 12.7'/hr. Epoch drilling monitor is not working properly. ROP and depth not accurate. Technician working on problem. Will begin mudup at 10000'.</p>			
01/24/2003		Depth	10,200
		Progress	0
AFE:	22039	Present Operation:	Drilling
<p>Drilling from 9925' - 10088' with 30K WOB and 50 RPM rotary. Drop survey tool and trip out of hole for new bit. Saw no evidence of casing wear on tool joints. Change bit and motor. RMR was less than 1/8" out of gauge and IBS was in gauge. Trip in hole with bit # 7 to 10030'. Ream 58' to bottom with no fill. Drilling from 10088' - 10200' with 40K WOB and 50 RPM rotary. Motor speed - 143 rpm @ 110 spm. Daily ROP - 19'/hr</p>			
01/25/2003		Depth	10,545
		Progress	345
AFE:	22039	Present Operation:	Drlg
<p>DRILL F/ 10200' - 10545'. AVG. ROP - 14.4 FPH. WOB- 40. RPM - 55. BURNING 5' - 7' FLARE.</p>			
01/26/2003		Depth	10,788
		Progress	243
AFE:	22039	Present Operation:	Drlg
<p>DRILL F/ 10545' - 10754'. AVG. ROP - 11 FPH. WOB - 40, RPM - 55. WLS @ 10684' - 1 3/4 DEG. DRILL F/ 10754' - 10788'. AVG. ROP - 9.7 FPH. WOB - 35, RPM - 55. BURNING 5' - 10' FLARE - PRESENT MW - 9.8 PPG.</p>			
01/27/2003		Depth	10,960
		Progress	172
AFE:	22039	Present Operation:	Drlg
<p>DRILL F/ 10788' - 10960'. AVG. ROP - 7.2 FPH. WOB - 35, RPM - 55. BURNING 5' - 7' LAZY FLARE.</p>			
01/28/2003		Depth	11,135
		Progress	175
AFE:	22039	Present Operation:	Pump Slug for Bit Trip
<p>DRILL F/ 10960' - 10980'. WLS @ 10904' - 1 1/4 DEG. DRILL F/ 10980' - 11135'. BURNING 5' - 8' FLARE. EPOCH EQUIPMENT WORKING - TECHNICIAN ON LOC. APPROX. 4 HRS. - GAS MONITOR STILL SUSPECT.( SHOWING 200 - 400 UNITS W/ 8' FLARE )</p>			
01/29/2003		Depth	11,265
		Progress	130
AFE:	22039	Present Operation:	Drlg
<p>DRILL F/ 11135' - 11136'. AVG. ROP - 4 FPH. WOB - 40, RPM - 55. PUMP 80 BBL. 11.5 PPG SLUG AND TOH FOR NEW BIT. LD BIT # 7 AND MOTOR. PU BIT #8, NEW MOTOR AND TIH W/ DC'S.( PU NEW 3 PT. - OTHER OUT OF GAUGE) CUT AND SLIP 150' DRLG. LINE. TIH. BREAK</p>			

CIRC. TH. WASH & REAM 60' TO BOTTOM. DRILL F/ 11136' - 11234'. AVG. ROP - 10.8 FPH. WOB - 40, RPM . WLS @ 11161' - 3/4 DEG. DRILL F/ 11234' - 11265'. AVG. ROP - 12.4 FPH. WOB - 40, RPM - 55. TRIP GAS FLARE - 20' - 25'. PRESENT FLARE - 5' - 8'. EPOCH EQUIPMENT WORKED PRIOR TO TRIP. AFTER TRIP EQUIP. FAILED. EPOCH TECHNICIAN PRESENTLY ON LOCATION AND EQUIP. OPERATING.

01/30/2003  
 AFE: 22039  
 Depth 11,471  
 Progress 206  
 Present Operation: Drlg  
 DRILL F/ 11265' - 11471'. AVG. ROP - 8.6 FPH. WOB - 40, RPM - 55. BURNING 4' - 7' FLARE. EPOCH TECHNICIAN ON LOC. APPROX. 9 HRS. - EQUIPMENT SEEMS TO BE WORKING EXCEPT GAS MONITOR STILL SUSPECT - PRESENTLY SHOWING TOTAL GAS OF 139 UNITS.

01/31/2003  
 AFE: 22039  
 Depth 11,696  
 Progress 225  
 Present Operation: Drlg  
 DRILL F/ 11471' - 11561'. AVG. ROP - 12.4 FPH. WOB - 40, RPM - 55. CHANGE SWAB #2 PUMP. DRILL F/ 11561' - 11696'. AVG. ROP - 8.2 FPH. WOB - 40, RPM - 55. BURNING 5' - 8' FLARE. EPOCH EQUIPMENT FUNCTIONING EXCEPT TOTAL GAS. ( SHOWING 60 - 150 UNITS TOTAL GAS )

02/01/2003  
 AFE: 22039  
 Depth 11,833  
 Progress 137  
 Present Operation: Drlg  
 DRILL F/ 11696' - 11710'. AVG. ROP - 4 FPH. WOB - 40, RPM - 55. WLS @ 11640' - 1 1/4 DEG. DRILL F/ 11710' - 11833'. AVG. ROP - 6.3 FPH. WOB - 40, RPM - 55. BURNING 4' - 7' FLARE.

02/02/2003  
 AFE: 22039  
 Depth 11,940  
 Progress 107  
 Present Operation: Short Trip - 25 stds  
 DRILL F/ 11833' - 11940'. AVG. ROP - 5.4 FPH. WOB - 40, RPM - 55. CIRC. PUMP SLUG AND SHORT TRIP 25 STDS. BURNED 4' - 7' FLARE WHILE DRILLING.

02/03/2003  
 AFE: 22039  
 Depth 11,940  
 Progress 0  
 Present Operation: Running Form Tests  
 FINISH SHORT TRIP - 25 STDS. CIRC. 10' - 25' FLARE AFTER SHORT TRIP - APPROX. 15 MINUTES. STRAP OUT OF HOLE FOR E LOGS. SLM - 11942'. LD MOTOR. RU HALLIBURTON LOGGERS. 1ST RUN - LOGGERS TD - 11936'. DENSITY NEUTRON - TD - SURFACE. DUAL LATERALOG- TD - 3235'. 2ND RUN - FULL WAVE SONIC - TD - 8000'. 20 FORMATION TESTS.

02/04/2003  
 AFE: 22039  
 Depth 11,940  
 Progress 0  
 Present Operation: Running 5-1/2" Casing  
 Finish running RFT's. Rigdown Halliburton loggers. Trip in hole to 6000'. Circulate out gas through separator. Had 20 - 25' flare for 30 minutes. Trip in hole to 11900'. Wash and Ream 40' to bottom with 5' of fill. Circulate for casing. Flare was 25 - 30' for 45 minutes on bottoms up. Slowly dropped off to 3 - 4'. Laydown drill pipe. Breakout kelly. Laydown drill collars. Pull wearbushing and rig up casers. Make up float equipment and run 5.5" casing.

02/05/2003  
 AFE: 22039  
 Depth 11,940  
 Progress 0  
 Present Operation: Rigging Down  
 Run 5.5" casing to 11940' and tag bottom with no fill. Circulate out gas and rig up Halliburton to

cement. Flare from 20 - 30' for 30 minutes at bottoms up. Cement first stage with 500 sx of Lead and 400 sx of Tail w. full returns. Displace w/ 276 bbls FW. Open L. ol with 650 psi and circulate out 139 sx of cement. Circulate with rig pump. Cement second stage with 490 sx Lead and 100 sx of Tail with full returns. Displace with 163 bbls FW and land plug. Nipple down BOP stack and set slips with string weight of 135K. Cut casing and laydown BOP stack. Dress cutoff and nipple up tubing hanger. Clean steel pits and rig down. Will run temperature survey at 0900 hrs.

02/06/2003  
AFE: 22039  
Depth 11,940  
Progress 0  
Present Operation: Released Rig

Rigging down. Released rig at 0500 hrs on 2/5/03. Rig up Pro Wireline and run temperature survey. Found top of cement at 2750'. Rigdown WL unit. Rig down separator and rental equipment. Will take satellite trailer to EL Farmer yard in Carlsbad, NM.

02/07/2003  
Completion  
AFE: 22039  
Present Operation:  
WOC