

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on
reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☒

1b. TYPE OF WELL

OIL ☐

GAS ☒

SINGLE ☐

MULTIPLE ☐

WELL

WELL

OTHER ZONE

ZONE

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 140907 Irving TX 75014 972-401-3111

4. LOCATION OF WELL

(Report location clearly and in accordance with

5. LEASE DESIGNATION AND SERIAL NO.

NM-57697 97156

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Chaparral 33 Federal No. 1

9. API WELL NO.

30-025-30993

10. FIELD AND POOL, OR WILDCAT

Quail Ridge, Morrow

11. SEC. T., R., M., BLOCK AND SURVEY

OR AREA

Sec. 33 T19S R34E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFF.

36 miles East of Hobbs NM

OPER. OGRID NO. 162683

PROPERTY NO. 30755

POOL CODE 83280

EFF. DATE 11-5-02

API NO. 30-025-30993

12. COUNTY OR PARISH

Lea

13. STATE

NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, T.O.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1867' *

19. PROPOSED DEPTH

14000

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3672'

22. APPROX. DATE WORK WILL START*

12-15-02

23

PROPOSED CASING AND CEMENTING PROGRAM

Capitan Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	463'	470 sx C circ surface
11"	S-80 8 5/8"	28 #	5200'	2500 sx C circ surface
7 7/8"	N-80/S-95 5 1/2"	17 #	14000'	1800 sx circ sur

The Chaparral 33 Fed 1 was originally drilled to a TD of 10,300 to test the Bone Springs, surface and intermediate casing was set and cemented to surface. The well was PA in 1991. Gruy proposes to reenter, clean out and deepen the well to a depth of 14,000, set 5 1/2" production casing and complete as a Quail Ridge (Morrow) producer. During the clean out operation and through the running of production casing the well will be equipped with a 5,000 psi BOP system.

Upon successful completion as a Quail Ridge; Morrow Producer, the well name will be changed to Chaparral 33 Fed Com 1

* The Mallon 33 Federal Com No. 2 was permitted in unit letter C33-19S-34E in 1998. Gruy will reenter the Chaparral Fed 1 instead of drilling the Mallon 33 Fed Com 2.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:

If proposal is to deepen, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED

Zero Farris

TITLE

Mgr. Ops. Admin

DATE

09-20-02

(This space for Federal or State office use)

PERMIT No.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subsurface which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/S/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

OCT 29 2002

*See Instructions 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.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVAL FOR 1 YEAR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-57697
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3111	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FWL & 1980 FNL		8. Well Name and No. Chaparral 33 Federal No. 1
		9. API Well No. 30-025-30993
		10. Field and Pool, or Exploratory Area Quail Ridge; Morrow
		11. County or Parish, State Lea, NM


12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input checked="" 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 recompleate 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 recompletion 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.)

Change quantity of cement to 1620 sx C with estimated top at 2700'

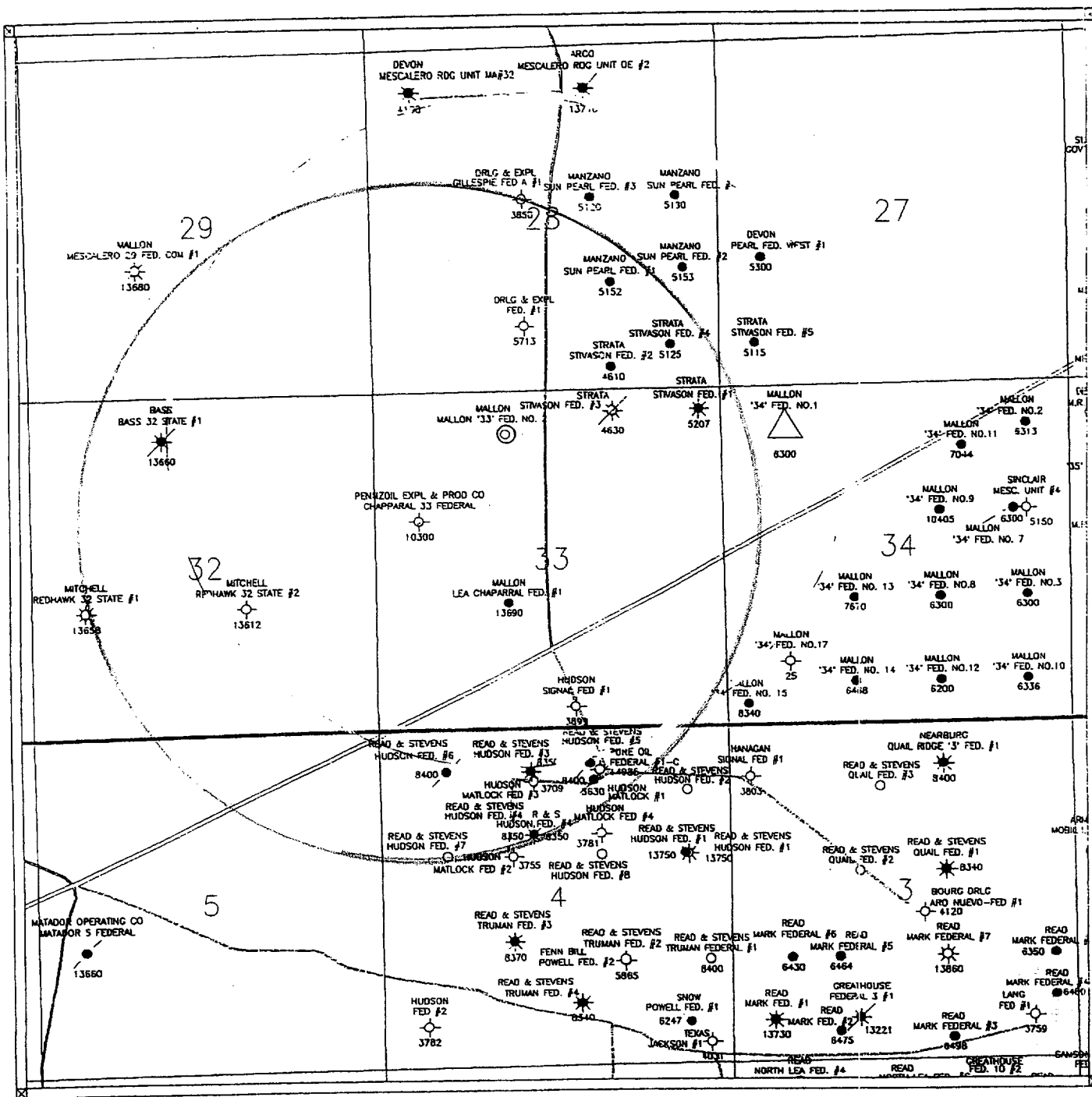
Upon successful completion as a Quail Ridge Morrow Producer the well name will be changed to Lea Chaparral Federal Com 2

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Zeno Farris	Title Manager, Operations Administration
Signature 	Date October 14, 2002

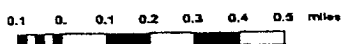
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JOE G. LARA	ACTING FIELD MANAGER	Date OCT 29 2002
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 CARLSBAD FIELD 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.



Scale 1:28000.



Gruy Petroleum Management Co.

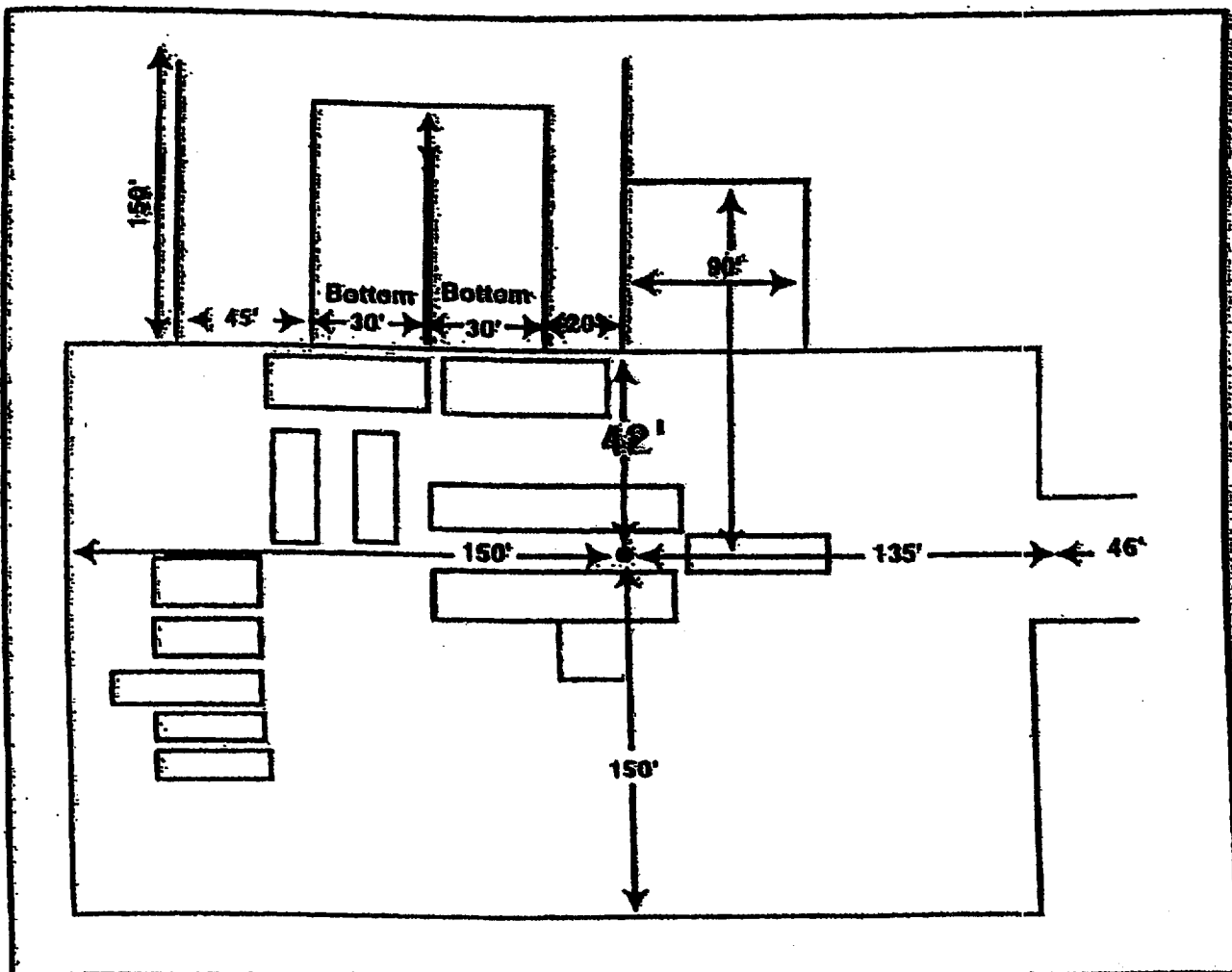
Chapparral 33 Federal No. 1

Unit E Section 33

T19S - R34E

One Mile Radius Map

Lea County, NM



Rig 75

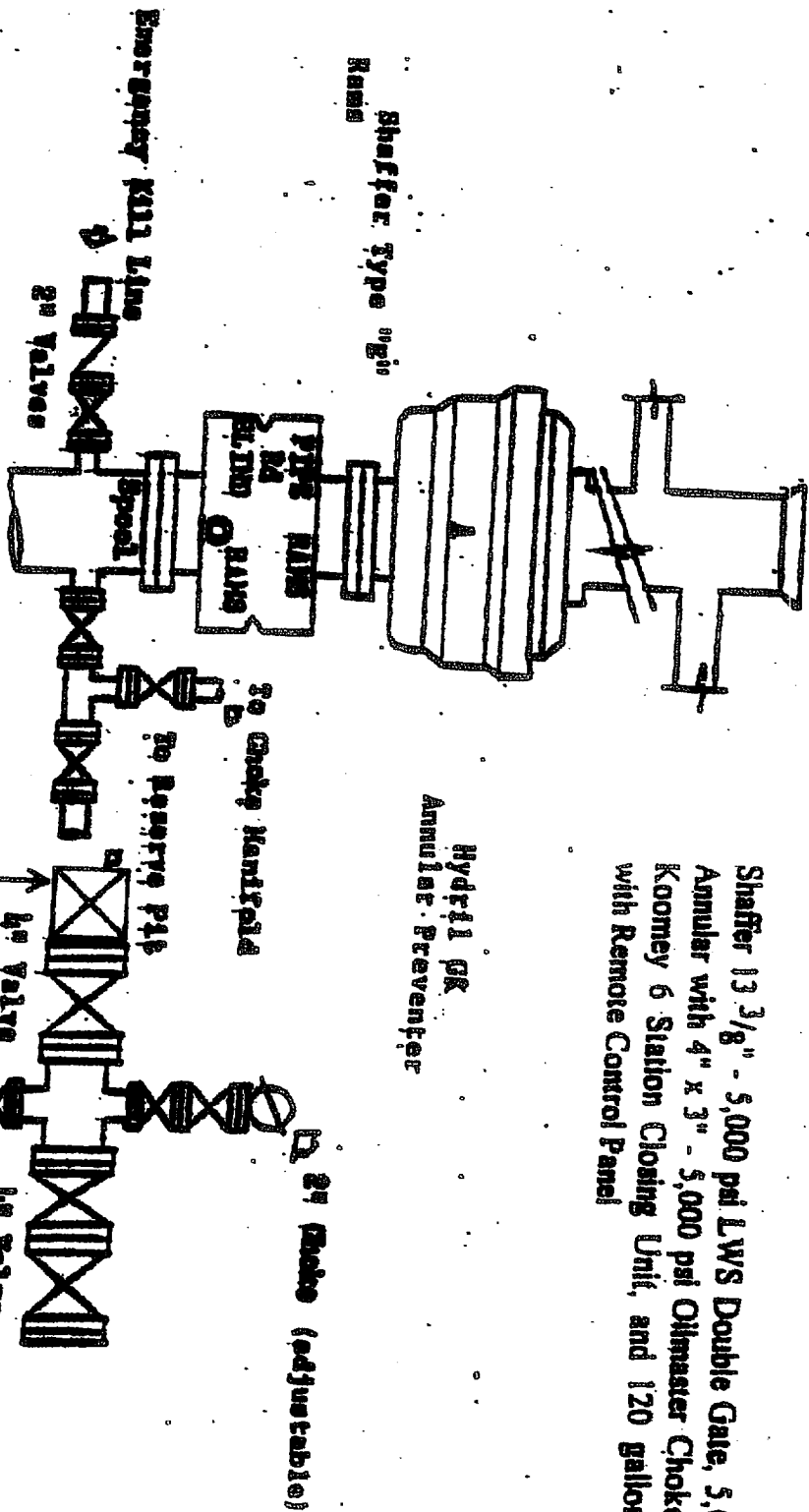
Gruy Petroleum Management Co.
Chapparal 33 Federal No. 1
Unit E Section 33
T19S - R34E
Lea County, NM
Exhibit "D"
Rig Layout Plan

BLOWOUT PREVENTION SCHEMATIC

Shaffer 13 3/8" - 5,000 psi LWS Double Gate, 5,000 psi Shaffer Annular with 4" x 3" - 5,000 psi Olmstead Choke Manifold and Kookey 6 Station Closing Unit, and 120 gallon Accum. for with Remote Control Panel

Hydril GK
Annular Preventer

Shaffer Type "E"
Ram



4\"/>

Manifold Details

6\"/>

Choke Manifold

Gruy Petroleum Management Co.

Chapparral 33 Federal No. 1

Unit E Section 33

T19S - R34E

Lea County, NM

Exhibit "E"

Blowout Preventor Plan

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Denver DD, Artesia, NM 88210

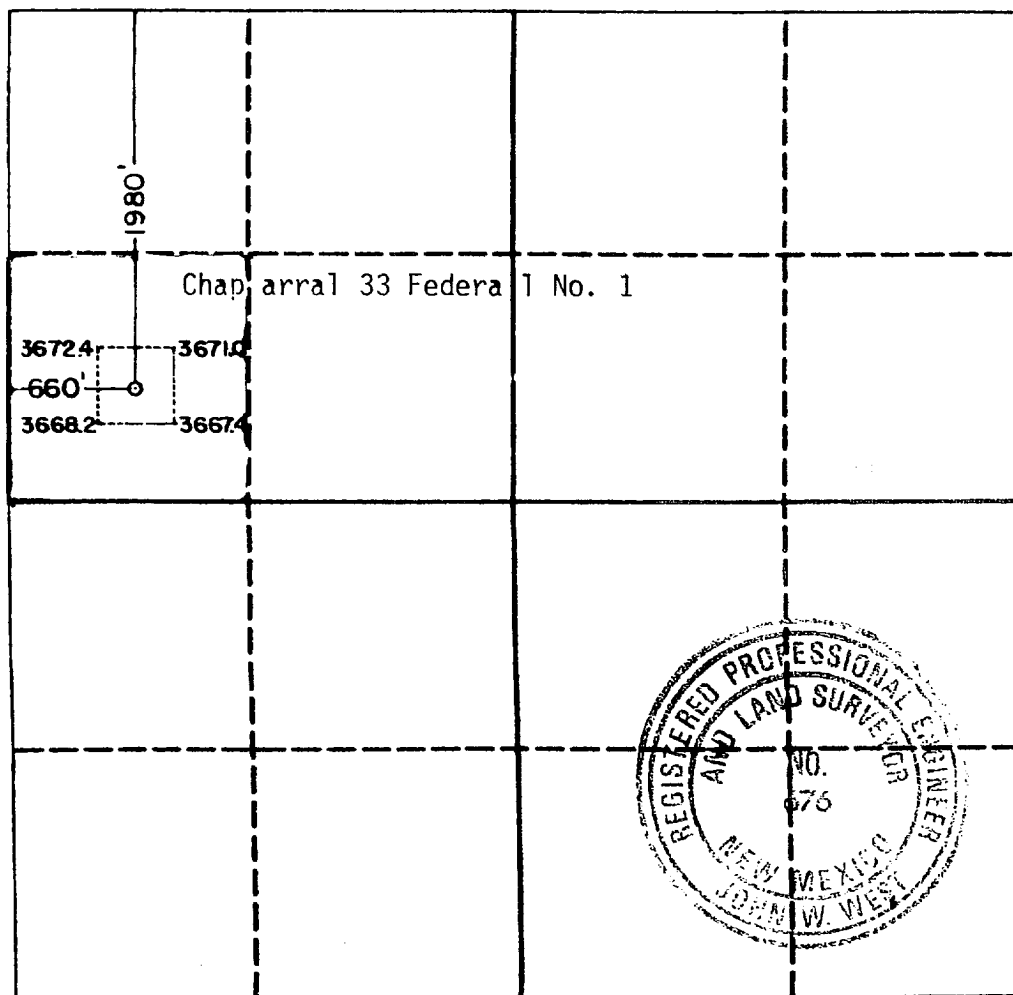
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Gruy Petroleum Management Co.			Lease Chaparral 33 Federal		Well No. 1
Unit Letter E	Section 33	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground level Elev. 3672	Producing Formation Morrow	Pool Quail Ridge, Morrow			Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Zeno Farris
Printed Name
Zeno Farris
Position
Mgr. Operations Admin.
Company
Gruy Petroleum Mgmt. Co.
Date
September 20, 2002

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
July 23, 1990

Signature & Seal of
Professional Surveyor

[Signature]
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

Application to Drill

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1 Location: 1980' FNL & 660' FWL Sec. 33 19S 34E

2 Elevation above sea level: GR 3672'

3 Geologic name of surface formation: Quaternary Alluvium Deposits

4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5 Proposed drilling depth: 14000'

6 Estimated tops of geological markers:

Wolfcamp	10861
Strawn	12164
Atoka	12416
Morrow	12747

7 Possible mineral bearing formation:

Wolfcamp	Oil
Strawn	Gas
Atoka	Gas
Morrow	Gas

8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17 1/2"	0-463'	13 3/8"	48	8-R	ST&C	H-40
11"	0-5200'	8 5/8"	28	8-R	ST&C	S-80
7 7/8"	0-14000'	5 1/2"	17	8-R	ST&C	N-80 / S-95

Application to Drill

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

9 Cementing & Setting Depth:

13 3/8"	Surface	On 9-14-90 Pennzoil Exploration set 463' of 13 3/8" H-40 48# ST&C casing. Cemented with 490 Sx. of Class C cement + additives, circulate cement to surface.
8 5/8"	Intermediate	On 9-24-90 Pennzoil Exploration Set 5200' of 8 5/8" S-80 28# casing. Cement with 2500 sx of Class C cement + additives, circulate cement to surface.
5 1/2"	Production	Set 14000' of 5 1/2" NP-80 / S-95 17# ST&C casing. Cement in two stages, first stage cement with 1020 Sx. of Class POZ/C Cement + additives. Second stage cement with 600 Sx of Class "C" Estimated top of cement 2700'.

10 Pressure control Equipment:

Exhibit "E". A 13 3/8" 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 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 5200'. 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 nipped up on the 8 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of

11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 5200'	10	28	NC	Fresh water spud mud add paper to control seepage and high viscosity sweeps to clean hole.
5200' - 14000'	9.4 - 9.8	50	NC	Brine water. Add paper as needed to control seepage and add lime to control pH (10.5). Use high viscosity sweeps 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.

Application to Drill

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

12 Testing, Logging and Coring Program:

- A. Mud logging program: One-man unit from 10300' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DST's, or cores are planned at this time.

13 Potential Hazards:

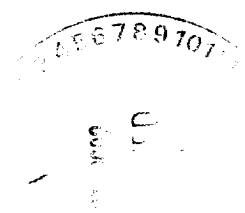
No abnormal pressures or temperatures or H₂S gas are expected. Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3000 PSI, estimated BHT 1000 .

14 Anticipated Starting Date and Duration of Operations:

Anticipated spud date as soon as approved. Drilling expected to take 20 - 25 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be tested and potentialized as a gas well.



Hydrogen Sulfide Drilling Operations Plan

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:
 - A. Characteristics of H2S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H2S detectors, warning system and briefing
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2 H2S Detection and Alarm Systems
 - A. H2S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
- 3 Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
- 4 Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency
- 5 Well control equipment
 - A. See exhibit "E"
- 6 Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 7 Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If location is near any dwelling a closed DST will be performed.

Hydrogen Sulfide Drilling Operations Plan

- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if

Surface Use Plan

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

1 Existing Roads: All existing roads will be maintained in a condition equal to or better than current conditions.

A. Exhibit "A" shows the proposed well site as staked.

B. From Hobbs, go west on Hwy 82, for 22.5 miles to mile marker 79 /12. Turn North for .1 mile, West 1 mile, Northwest .4 miles into location.

C. Construct power lines and lay pipelines that will be necessary to produce this lease along road R-O-W.

2 PLANNED ACCESS ROADS: Plan on using existing roads and pit area.

3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"

A. Water wells -	None known
B. Disposal wells -	None known
C. Drilling wells -	None known
D. Producing wells -	As shown on Exhibit "A"
E. Abandoned wells -	As shown on Exhibit "A"

Site Use Plan

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

- 4 If, on completion this well is a producer Gruy Petroleum Management Co. will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry Notice.

5 LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6 SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and

7 METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holes with a minimum depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8 ANCILLARY FACILITIES:

- A. No camps or airstrips to be constructed.

Surface Use Plan

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

9 WELL SITE LAYOUT

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of reserve and trash pits; and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined, unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with PVC or polyethylene line. The pit liner will be 6 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10 PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recontoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

Surface Use Plan

Gruy Petroleum Management Co.
Chaparral 33 Federal No. 1
Unit Letter E Section 33
T19S - R34E Lea County, NM

11 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands, and a few eroded areas. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on Federal surface owned by the BLM, United States Department of the Interior. The land is used mainly for farming, cattle ranching and oil and gas production.
- C. An Archaeological survey has been conducted on the location and existing roads, and this report is on file with the Bureau of Land Management in the Carlsbad BLM office.
- D. There are no known dwellings within 1 1/2 miles of this location.

12 OPERATORS REPRESENTATIVE:

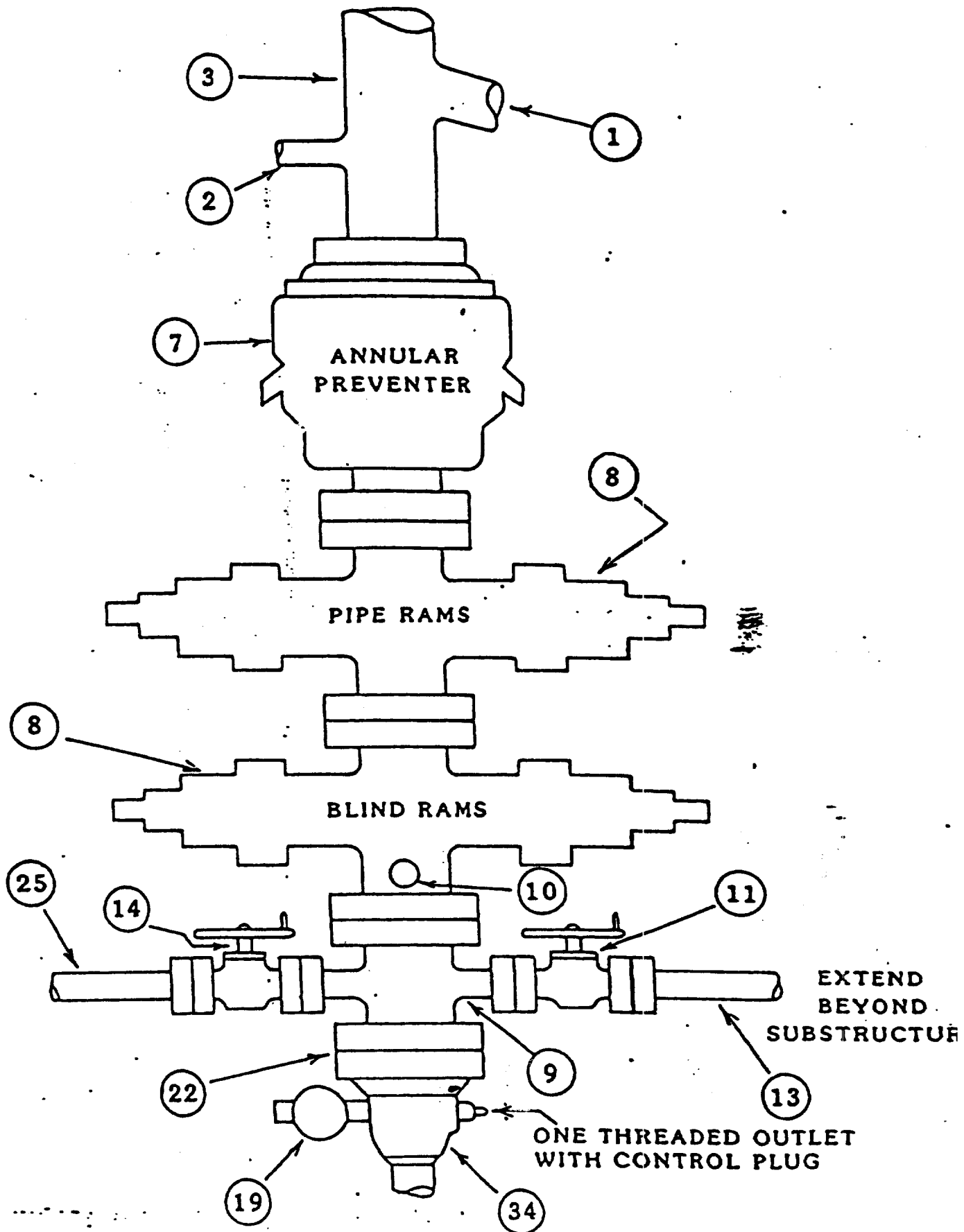
Gruy Petroleum Management Company
P.O. Box 14097
Irving, TX 75014
Office Phone: (972) 443-6489
Zeno Farris

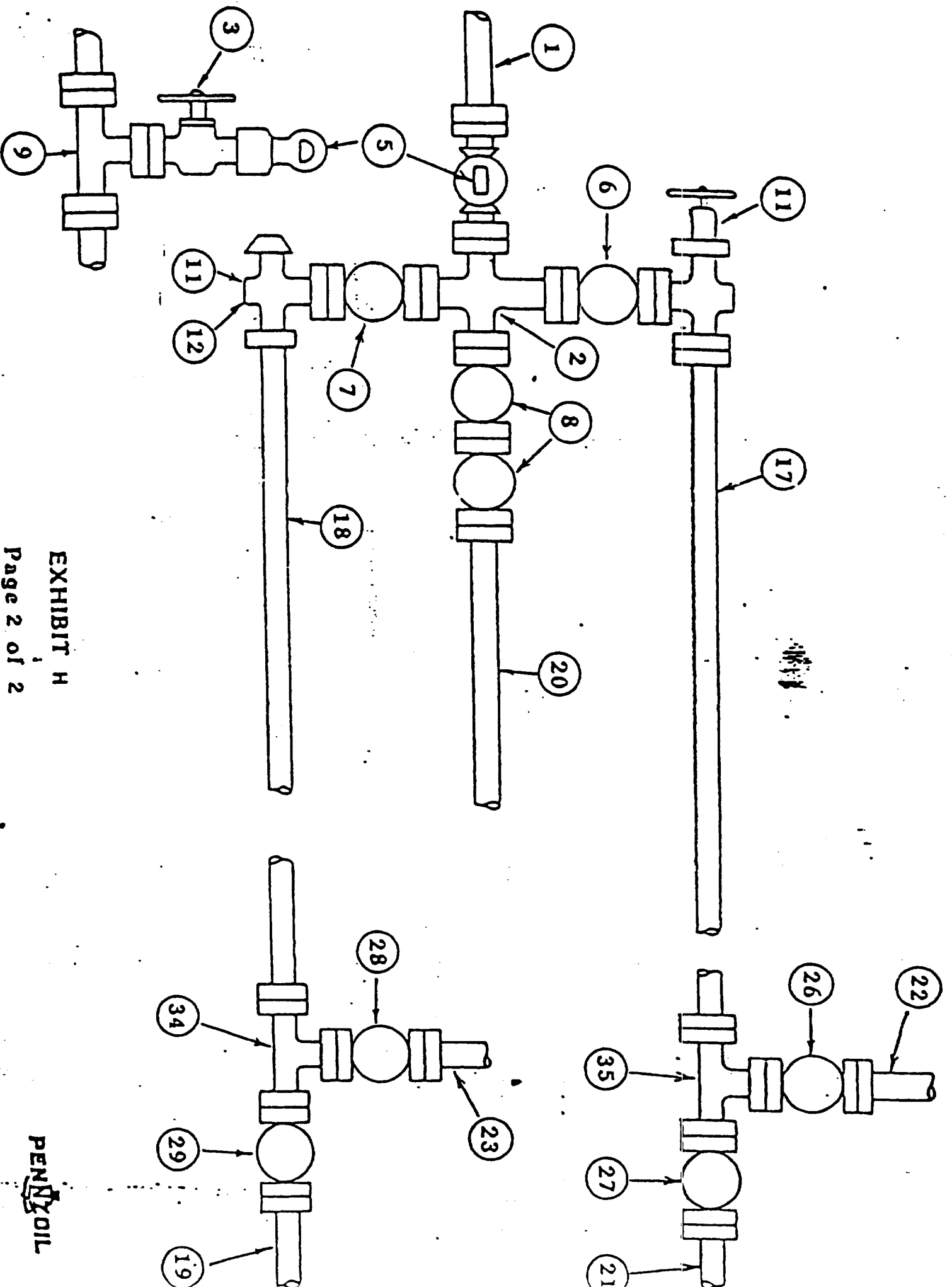
- 13 **CERTIFICATION:** I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Gruy Petroleum Management Company contractors/subcontractors in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris

DATE: 10/14/02

TITLE: Manager, Operations Administration





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM - 57697

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

CHAPARRAL "33" FED. #1

9. API Well No.

30-025-30993

10. Field and Pool, or Exploratory Area

QUAIL RIDGE SOUTH/Bone

11. County or Parish, State

Spring

LEA - NEW MEXICO

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

PENNZOIL EXPLORATION & PRODUCTION COMPANY

3. Address and Telephone No.

P. O. DRAWER 1828 - MIDLAND, TEXAS 79702-1828 915-682-7316

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FWL of Sec. 33, T19S, R34E (SWNW)

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☒ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Run 8-5/8" casing, Ran
DST, Ran Logs, P & A.
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Drilled 11" hole to 5200' - Rigged up and ran 119 jts. of 8-5/8", 28#, S80 casing and set at 5200' - Cemented 8-5/8" casing with 2000 sx. 35/65 POZ with 6% gel, 1/4# cellophane & 5% salt per sx mixed at 13 ppg followed by 500 sx. Class "C" with 1/4# cellophane per sx mixed at 14.8 ppg - Plug down at 9:00 PM CST 09-24-90 - Circulated out 246 sx - W.O.C. for 26 hrs. - Tested 8-5/8" casing to 1500# for 30" - Held O.K. - Drilled 7-7/8" hole to T.D. 10,300' - Ran DST #1 from 10129' to 10164' - (DST Attached) - Ran logs - Prep to P. & A. - Circ. hole clean - Spotted Plug #1, 75 sx Class "H" cement from 10214' to 9964' - Plug #2, 75 sx Class "H" cement from 9408' to 9158' - Spot Plug #3, 75 sx Class "H" from 8199' to 7949' - Plug #4, 75 sx Class "H" from 5905' to 5655' - Plug #5, 75 sx. Class "H" from 5316' to 5066' - Plug #6, 75 sx Class "H" from 3363' to 3113' - Plug #7, 75 sx Class "H" from 1627' to 1377' - Plug #8, 10 sx Class "H" from 40' to Surface - Plugging job completed at 2:45 P.M. 10-10-90 - Nipple down BOP & clean mud pits - Released rig at 12:00 Midnight 10-10-90 - Well P. & A. - "FINAL REPORT".....

*Approved by the Bureau of Land Management, the well bore, liability under bond is not made until surface restoration is completed.

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

Signed Roy R. Johnson Title Production Accountant III Date January 30, 1991

(This space for Federal or State office use)

Approved by _____ Title _____ Date 2-6-91
Conditions of approval, if any:

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.

*See Instruction on Reverse Side

WILLBROS DRILLING, INC.

INCLINATION REPORT

OPERATOR:

Pennzoil Exploration & Production
P.O. Drawer 1828
Midland, Texas 79702-1828

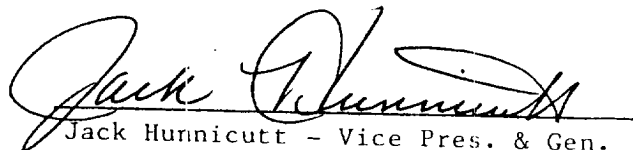
LOCATION:

Chaparral "33" Fed. #1
Sec. 33, T19S, R34E
Lea Co., NM

DEPTH FEET	INCLINATION DEGREES	DEPTH FEET	INCLINATION DEGREES	DEPTH FEET	INCLINATION DEGREES
463	1/4	6,182	1/4		
963	3/4	6,679	1		
1,750	1/4	7,131	1-1/4		
2,235	3/4	7,566	3/4		
2,696	1-3/4	8,045	1/2		
3,021	2-1/4	8,535	1/2		
3,135	2-3/4	8,852	2		
3,200	2-1/4	9,096	1-1/4		
3,289	2-1/2	9,591	1-1/2		
3,410	1-3/4	10,164	3/4		
3,500	1-3/4	10,300	1		
3,600	1-1/4				
4,071	3/4				
4,560	1/2				
4,770	1/2				
5,200	3/4				
5,688	1/4				

COUNTY OF MIDLAND
STATE OF TEXAS

The undersigned states that he has knowledge of the facts and matter herein set forth and that the same are true and correct.


Jack Hunnicutt - Vice Pres. & Gen.
Mgr.

SUBSCRIBED AND SWORN TO BEFORE ME THIS 18th day of October 19 90


Notary Public

My commission expires: 1/30/93

PENNZOIL EXPLORATION & PRODUCTION CO.

P. O. DRAWER 1828 - MIDLAND, TEXAS 79702-1828

CHAPARRAL "33" FEDERAL #1

1980' FNL & 660' FWL of Sec. 33, T19S, R34E, SWNW

API 30-025-30993

QUAIL RIDGE SOUTH BONE SPRING

LEA COUNTY, NEW MEXICO

DST #1 10129'-10164'

Opened tool for 2" preflow w/weak blow,
60" initial S.I. period, 360" F.F. period
w/max press. of 3.5 psig on 1/8" choke,
360" final S.I., no gas to surface
during test.

Sampler Recovery - 0.11 ft³ gas, 2200 cc
FM water (73,000 ppm) @ 170 psig.

D.P. Recovery - 120' Heavy oil & gas cut mud.
90' oil 7 gas cut mud, 722' F.M. Water
73,000 ppm) Mud chl 1150 ppm. BHT 144
degrees F. IHP 4831 psig; IFP 36-36 psig;
ISIP 1590; FFP 36-512; FSIP 1590 psig;
FHP 4795 psig.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ALBUQUERQUE, NEW MEXICO

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-57697	
1b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. CENVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Pennzoil Exploration & Production Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P. O. Drawer 1828 - Midland, Texas 79702-1828		8. FARM OR LEASE NAME CHAPARRAL "33" FED.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1980' FNL & 660' FWL At top prod. interval reported below At total depth		9. WELL NO. 1	
14. PERMIT NO. API 30-025-30993		12. COUNTY OR PARISH Lea	
DATE ISSUED 08-30-90		13. STATE NM	
15. DATE SPUDDED 09-14-90	16. DATE T.D. REACHED 10-08-90	17. DATE COMPL. (Ready to prod.) DRY	18. ELEVATIONS (DF, RKB, ST, OR, ETC.)* 3672.5 GR - 3686.5 RKB
20. TOTAL DEPTH, MD & TVD 10,300	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY 10 - 10,300
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* DRY			25. WAS DIRECTIONAL SURVEY MADE NO
26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction Laterolog - Dual Spaced Neutron log			27. WAS WELL CORRED NO
29. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
13-3/8	48	463	17-1/2
8-5/8	28	5200	11
--	--	--	7-7/8
			AMOUNT CEMENTING RECORD
			470
			2500
			--
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
N/A			
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
N/A			
31. PERFORATION RECORD (Interval, size and number) DRY			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
N/A			
33. PRODUCTION			
DATE FIRST PRODUCTION DRY		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	
WELL STATUS (Producing or shut-in)			
DATE OF TEST	HOURS TESTED	CHOKES SIZE	PROD'N. FOR TEST PERIOD
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (CORR.)
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)			
TEST WITNESSED BY			
35. LIST OF ATTACHMENTS Neutron & Laterolog - DST Data - Inclination Report & Form 3160-5 (All sent in on 1-30-91)			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <i>Roy R. Johnson</i>		TITLE Production Accountant III	
		DATE February 08, 1991	

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 24 8 36 AM '90

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM - 57697

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Chaparral "33" Fed. #1

9. API Well No.

30-025-30993

10. Field and Pool, or Exploratory Area

Quail Ridge South/Bone

11. County or Parish, State

Spring
Lea - New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Pennzoil Exploration & Production Company

3. Address and Telephone No.

P. O. Drawer 1828 - Midland, Texas 79702-1828 915-682-7316

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FWL of Sec. 33, T19S, R34E (SWNW)

Unit E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Spud date, Run casing

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded well at 1:30 AM on 09/14/90 - GR 3672.5' - RKB 3687'.

Ran 11 jts. of 13-3/8", 48#, H-40 STC casing and set at 463' RKB.

Cemented with 470 sx Class -C- w/2% CaCl2 plus 2# per sx celloflake mixed at 14.8 ppg.

Plug down at 3:30 PM on 09/14/90 - Circulated to pit 134 sx. - W.O.C. for 18 hours.

Tested casing and Hydrill to 600 psi for 45" - Held O.K. - Now drilling ahead.

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

Signed

Title

Roy R. Johnson
Production Accountant III

Date Sept. 20, 1990

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

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.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RE G
OFFICE FOR
OF COPIES REQUIRED
(Other instructions on
reverse side)

30-025-30993
BLM Roswell District
Modified Form No.
NM60-3160-2

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM - 57697
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME —
2. NAME OF OPERATOR Pennzoil Exploration & Production Company		7. UNIT AGREEMENT NAME —
3. ADDRESS OF OPERATOR P.O. Drawer 1828 - Midland, TX 79702-1828		8. FARM OR LEASE NAME Chaparral "33" Fed.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 660' FWL At proposed prod. zone Same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 21 miles West of Hobbs, New Mexico		10. FIELD AND POOL, OR WILDCAT South Quail Ridge-Bone Spring
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 40	11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec. 33, T19S, R34E (SWNW)
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 10,800	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3672.5 GR	19. PROPOSED DEPTH 10,800	13. STATE NM
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* September 10, 1990

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48	H-40	ST&C CIRCULATE	450	500 sks
11"	8 5/8"	28	S-80	ST&C CIRCULATE	5200	1800 sks*
7 7/8"	5 1/2"	17	N-80	LT&C	10,800	600 sks**

*Circulate cement to surface
**Top of cement at 8000'

- 13 3/8" Casing: Circulate to surface using 500 sxs CL "C" with 2% CaCl₂ and 1/4#/sx Flocele.
- 8 5/8" Casing: Circulate to surface in two stages with stage tool at + 3300'.
1st Stage 500 sxs Lite Cement w/10% Salt followed by 150 sxs CL "C" Neat.
2nd Stage 1000 sxs Lite Cement w/10% Salt followed by 150 sxs CL "C" Neat.
- 5 1/2" Casing: 600 sxs CL "H" Perforating Quality Cement.

Blowout Prevention Equipment Required by Pennzoil is Attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Randy M. Hodgins TITLE Senior Petr. Engineer DATE 8/16/90

(This space for Federal or State office use)

PERMIT NO. Orig. Signed by BLM District APPROVAL DATE 8-30-90
APPROVED BY AREA MANAGER DATE 8-30-90
CONDITIONS OF APPROVAL, IF ANY: DAKLEAD RESOURCE AGENCY

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DIRECT
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

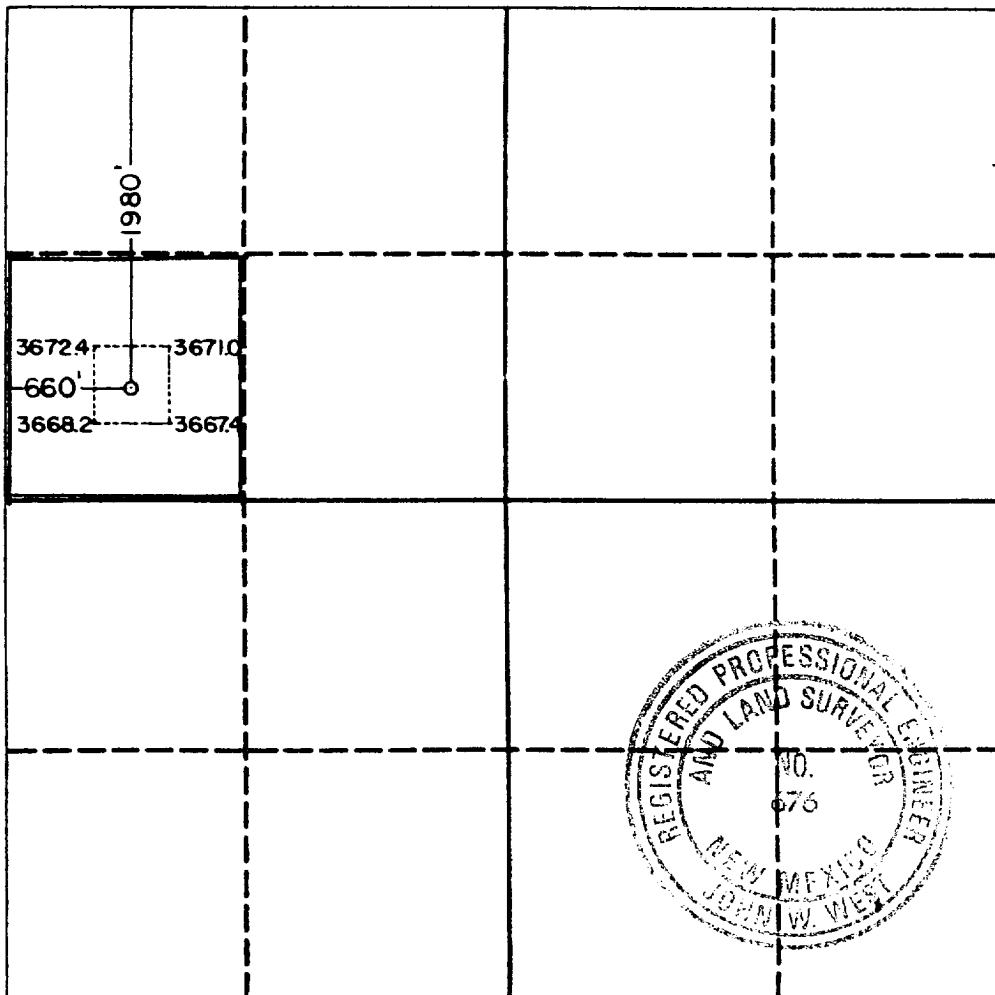
DISTRICT III
1000 Rio Blanco Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PENNZOIL EXPLORATION & PRODUCTION CO.		Lease Chaparral 33 Federal		Well No. 1
Unit Letter E	Section 33	Township 19 South	Range 34 East	County Lea
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line				
Ground level Elev. 3672.5	Producing Formation Bone Spring	Pool South Quail Ridge Bone Spring	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or highlighter marks on the plot below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☐ No If answer is "yes" type of consolidation _____
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name _____

Randy M. Hodgins

Position

Senior Petr. Engineer

Company	
---------	--

Pennzoil Explor. & Prod.Co.

Date:

August 16, 1990

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed _____

July 23, 1990

Signature & Seal of Professional Surveyor

Certificate No.	JOHN W. WEST,	676
	RONALD J. EIDSON,	3239

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1900, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PENNZOIL EXPLORATION & PRODUCTION CO.			Lease Chaparral 33 Federal		Well No. 1
Unit Letter E	Section 33	Township 19 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground level Elev. 3672.5	Producing Formation Bone Spring	Pool South Quail Ridge Bone Spring	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hectare marks on the plat below.

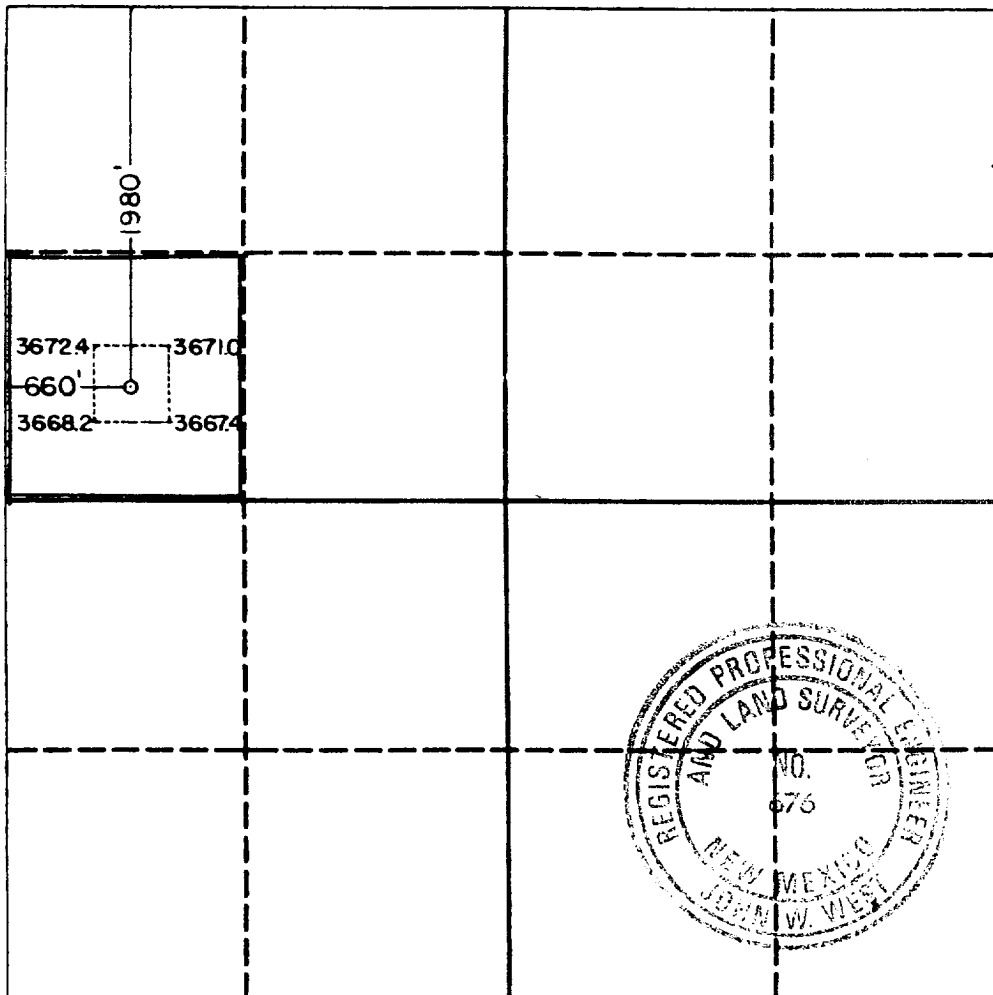
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Randy M. Hodgins

Printed Name

Randy M. Hodgins

Position

Senior Petr. Engineer

Company

Pennzoil Explor. & Prod. Co.

Date

August 16, 1990

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

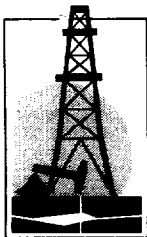
July 23, 1990

Signature & Seal of Professional Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



Gruy Petroleum Management Co.

600 East Las Colinas Blvd. • Suite 1100 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450

Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management
2909 West 2nd Street
Roswell New Mexico 88201-2019

Gruy Petroleum Management Co. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: NM-57697

Legal Description: W/2 Sec 33, T19S-R34E
Containing 320 acres, Lea County New Mexico

Formation (S): Morrow

Bond Coverage: Nationwide BLM Bond

BLM Bond File No.: NM 2575

Authorized Signature: Zeno Farris
Representing Gruy Petroleum Management Co.

Name: Zeno Farris

Title: Manager, Operations Administration

Date: 10/14/02