

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 13690

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO Box 140907 Irving, TX 75014-0907		OGRID Number 162683
		API Number 30-015-34256
Property Code 300595	Property Name FORNI	Well No. 004

Surface Location

UL or Lot G	Section 15	Township 22S	Range 27E	Lot Idn G	Feet From 1580	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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Proposed Pools

CARLSBAD;MORROW, SOUTH (PRO GAS) 73960
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3076
Multiple N	Proposed Depth 12150	Formation Morrow	Contractor	Spud Date 09/15/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	475	0
Int1	12.25	9.625	40	3000	650	0
Prod	8.75	5.5	17	12150	1920	1600

Casing/Cement Program: Additional Comments

Production casing fluid program will be combination of Fresh Water from 3000 to 8000 Cut Brine from 8000 to 10,000 and Mud from 10,000 to 12150 Mud.
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron

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

Electronically Signed By: Zeno Farris

Title: Manager Operations Administration

Date: 08/09/2005

Phone: 972-443-6489

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 08/15/2005

Expiration Date: 08/15/2006

Conditions of Approval:

There are conditions. See Attached.