

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

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO BOX 140907 IRVING , TX 750140907		2. OGRID Number 162683
		3. API Number 30-05-63802
4. Property Code 35386	5. Property Name BUFFALO VALLEY 8 STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	8	15S	28E	M	1085	S	1165	W	CHAVES

**8. Pool Information**

BUFFALO VALLEY,PENN (PRORATED GAS)	73080
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3533
14. Multiple N	15. Proposed Depth 9500	16. Formation Morrow	17. Contractor	18. Spud Date 3/1/2006
Depth to Ground water 50		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 12000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	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	1800	880	0
Prod	8.75	5.5	17	9500	12150	0

**Casing/Cement Program: Additional Comments**

The cementing and mud programs will be emailed to Bryan Arrant.
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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Zeno Farris	Approved By: Bryan Arrant
Title: Manager Operations Administration	Title: Geologist
Email Address: zfarris@magnnumhunter.com	Approved Date: 1/23/2006   Expiration Date: 1/23/2007
Date: 1/17/2006   Phone: 972-443-6489	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 21467

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-05-63802	2. Pool Code 73080	3. Pool Name BUFFALO VALLEY,PENN (PRORATED GAS)
4. Property Code 35386	5. Property Name BUFFALO VALLEY 8 STATE	6. Well No. 001
7. OGRID No. 162683	8. Operator Name GRUY PETROLEUM MANAGEMENT CO.	9. Elevation 3533

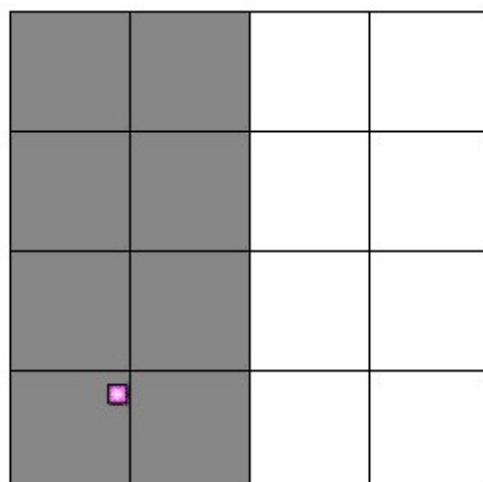
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	8	15S	28E		1085	S	1165	W	CHAVES

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code		15. 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**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Zeno Farris  
 Title: Manager Operations Administration  
 Date: 1/17/2006

**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 belief.*

Surveyed By: Gary Eidson  
 Date of Survey: 1/7/2006  
 Certificate Number: 12641

## Permit Comments

**Operator:** GRUY PETROLEUM MANAGEMENT CO. , 162683

**Well:** BUFFALO VALLEY 8 STATE #001

**API:** 30-05-63802

Created By	Comment	Comment Date
NKRUEGER	The C-144 will be emailed to Van Barton.	1/17/2006

# Permit Conditions of Approval

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683

Well: BUFFALO VALLEY 8 STATE #001

API: 30-05-63802

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Cement to cover all oil, gas & water bearing zones. Please refer to NMOCB Rule 19.15.3.106 for more information.