State of New Mexico

Form C-101 Permit 83704

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	2. OGRID Number		
GRUY PETRO	DLEUM MANAGEMENT CO., LLC	260972 3. API Number		
G	1046 TEXAN TRAIL RAPEVINE , NM 76051			
9	CHI EVIIVE, INVI 70051	30-015-36726		
4. Property Code	5. Property Name	6. Well No.		
37420	GRUY HENSHAW 32 STATE COM	M 001H		

7. Surface Location

8	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	L	32	16S	29E	L	1980	S	330	w	EDDY

8. Pool Information

PAVO MESA: ABO	97575

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3648	
14. Multiple	15. Proposed Depth	16. Formation 17. Contra		18. Spud Date	
И	7300	Abo		11/1/2008	
Depth to Ground	water	Distance from nearest fresh water well		Distance to nearest surface water	
Liner: Synthetic mils thick Clay Pit Volume: bbls Drilling Meth Closed Loop System Fresh Water				Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	350	0
Int1	12.25	9.625	40	2500	730	0
Prod	8.75	5.5	17	7300	500	2000

Casing/Cement Program: Additional Comments

A 41/2" 11.6# liner will be placed in the horizontal portion of the hole. It will not be cemented in place.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer							
Annular	5000	1500								
DoubleRam	5000	3000								

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	OIL CONSERVATION DIVISION			
NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan	Approved By: Tim Gum			
Printed Name: Electronically filed by Sherry Carroll	Title: District Supervisor			
Title:	Approved Date: 10/17/2008 Expiration Date: 10/17/2010			
Email Address: sreidcarroll@gruypetroleum.com				
Date: 10/15/2008 Phone: 817-756-1215				

District I

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

<u>District II</u>

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

<u>District III</u> 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 State of New Mexico

Form C-102 Permit 83704

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

	VEHIL BOCKITON AND ACI	CEAGE DEDICATION FI	17.1	
1. API Number	2. Pool Code	3. Po	ool Name	
30-015-36726	97575	PAVO MESA; ABO		
4. Property Code	5. Propert	y Name	6. Well No.	
37420	GRUY HENSHAW	GRUY HENSHAW 32 STATE COM 001		
7. OGRID No.	8. Operato	or Name	9. Elevation	
260972	GRUY PETROLEUM MA	NAGEMENT CO., LLC	3648	

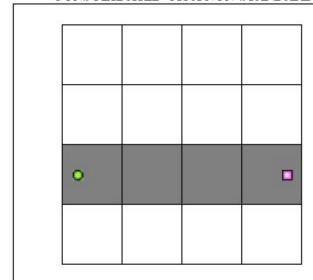
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	32	16S	29E		1980	S	330	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idm	Feet From	N/S Line	Feet From	E/W Line	County
I	32	16S	29E	I	1980	S	330	E	EDDY
100000000000000000000000000000000000000	cated Acres	13. 3	oint 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: Sherry Carroll

Title:

Date: 10/15/2008

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 Jones
Date of Survey: 9/16/2008
Certificate Number: 7977

Permit Comments

Operator: GRUY PETROLEUM MANAGEMENT CO., LLC , 260972 Well: GRUY HENSHAW 32 STATE COM #001H

API: 30-015-36726

Created By	Comment	Comment Date
dhawthorne	Well depth is 11,590 MD and 7300' TVD	10/15/2008
dhawthorne	Gruy Petroleum does not anticipate that there will be enough H2S from the surface to TD to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of this test.	10/15/2008
dhawthorne	Complete casing, cementing, BOP, mud and directional plan details along with the C-144 CLEZ and well plats will be e-mailed directly to Kimberly Wilson.	10/15/2008