

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., LLC 1046 TEXAN TRAIL GRAPEVINE, NM 76051		2. OGRID Number 260972
		3. API Number 30-015-36727
4. Property Code 37429	5. Property Name GRUY LEONARD 36 STATE COM	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
H	32	16S	29E	H	1800	N	660	E	EDDY

8. Pool Information

HENSHAW; MORROW, SW (G)	97149
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3696
14. Multiple N	15. Proposed Depth 11300	16. Formation Morrow	17. Contractor	18. Spud Date 11/15/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input 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	450	415	0
Int1	12.25	9.625	40	3000	840	0
Prod	8.75	5.5	17	11300	1265	2500

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	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 NMOCB guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Tim Gum	Title: District Supervisor
Printed Name: Electronically filed by Sherry Carroll	Approved Date: 10/17/2008	Expiration Date: 10/17/2010
Title:		
Email Address: sreidcarroll@gruypetroleum.com		
Date: 10/15/2008	Phone: 817-756-1215	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36727	2. Pool Code 97149	3. Pool Name HENSHAW; MORROW, SW (G)
4. Property Code 37429	5. Property Name GRUY LEONARD 36 STATE COM	
6. Well No. 001	7. OGRID No. 260972	
8. Operator Name GRUY PETROLEUM MANAGEMENT CO., LLC		9. Elevation 3696

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	32	16S	29E		1800	N	660	E	EDDY

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

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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: 8/11/2008

Certificate Number: 7977

Permit Comments

Operator: GRUY PETROLEUM MANAGEMENT CO., LLC , 260972

Well: GRUY LEONARD 36 STATE COM #001

API: 30-015-36727

Created By	Comment	Comment Date
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 and mud details along with the C-144 CLEZ and well plats will be e-mailed directly to Kimberly Wilson	10/15/2008

Permit Conditions of Approval

Operator: GRUY PETROLEUM MANAGEMENT CO., LLC , 260972

Well: GRUY LEONARD 36 STATE COM #001

API: 30-015-36727

OCD Reviewer	Condition
TGUM	NOTE: TIE BACK CHANGE ON THE PRODUCTION CSG.