

COUNTY Eddy

POOL

POOL Cottonwood Draw-Atoka Gas

97435

TOWNSHIP

TOWNSHIP 25 South

RANGE

RANGE 26 East

NMPPM

~~99-1135~~

A 6x6 grid with numbers 1-36. The grid is numbered as follows:

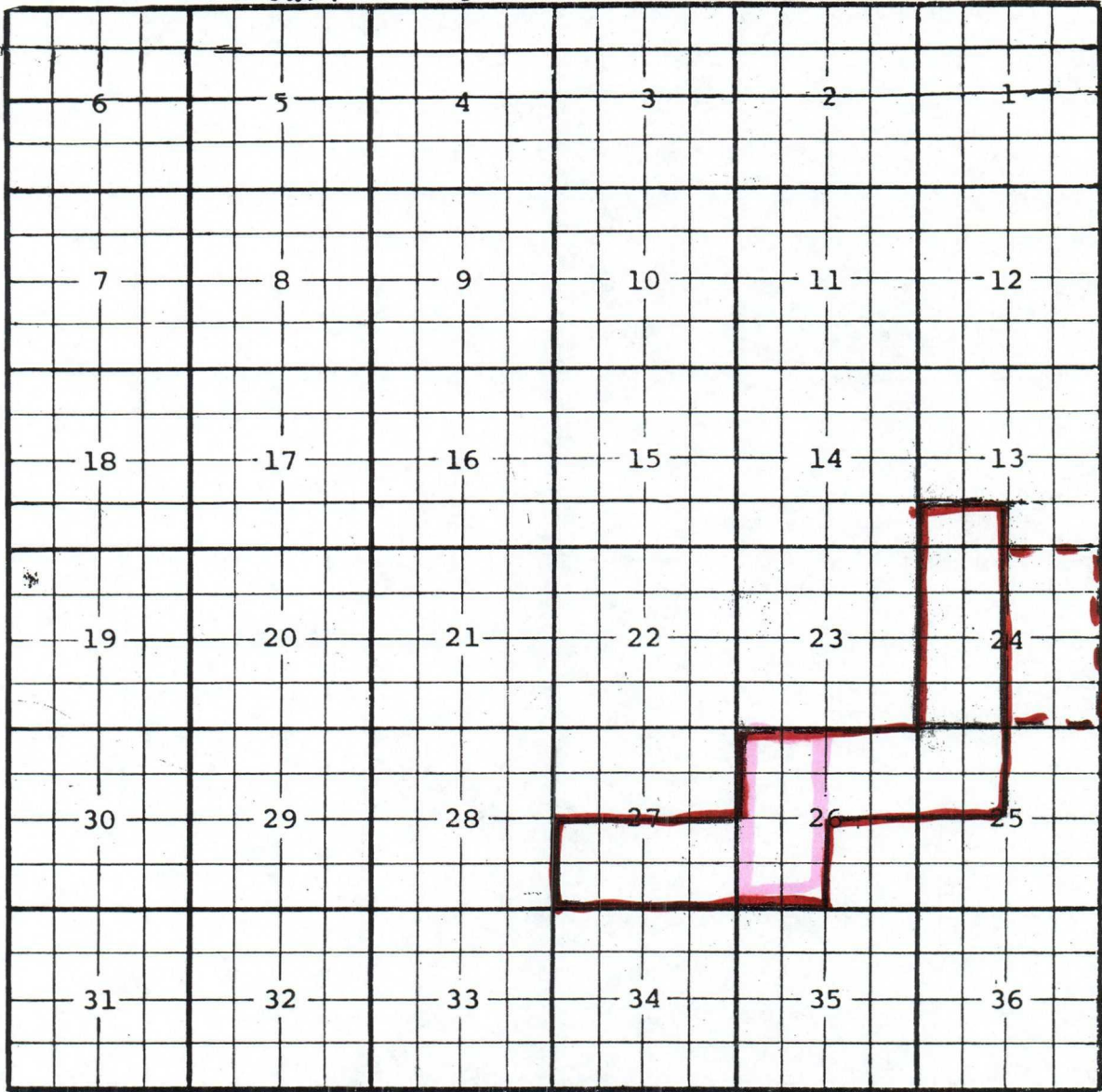
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

A red dashed box highlights the cells containing numbers 11, 12, 23, and 24. A pink solid box highlights the cells containing numbers 26, 27, 28, and 29.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Pool Cottonwood Draw-Morrow Gas

NMPM



Description: 1/2 Sec. 24 (R-12222, 10-25-04)

Ext: NW 1/4 Sec. 25, N 1/2 and SW 1/4 Sec. 26, S 1/2 Sec. 27 (R-12309, 3-12-05)

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 IV1220 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 1484

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 30-015-33627
Property Code 34239	Property Name GOLDENEYE 26 FEDERAL COM	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	26	25S	26E	C	330	N	1450	W	Eddy

Bottom Holes

Pool: WC COTTONWOOD DRAW; MORROW (G) 97377									
UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	26	25S	26E	C	850	N	1450	W	Eddy

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3240
Multiple N	Proposed Depth 13000	Formation Morrow	Contractor	Spud Date 10/25/2004

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	54.5	200	350	0
Int1	12.25	9.625	40	1900	950	0
Int2	8.75	7	26	10000	1250	0
Liner1	6.125	4.5	11.6	13000	235	9500

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	

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: 09/10/2004

Phone: 972-443-6489

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 09/16/2004

Expiration Date: 09/16/2005

Conditions of Approval:

There are conditions. See Attached.

District I

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102

Permit 1484

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33627	Pool Name WC COTTONWOOD DRAW, MORROW (G)	Pool Code 97377
Property Code 34239	Property Name GOLDENEYE 26 FEDERAL COM	Well No. 002
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3240

Surface Location

UL or Lot C	Section 26	Township 25S	Range 26E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1450	E/W Line W	County Eddy
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Bottom Hole Location If Different From Surface

UL or Lot C	Section 26	Township 25S	Range 26E	Lot Idn C	Feet From 850	N/S Line N	Feet From 1450	E/W Line W	County Eddy
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Dedicated Acres 320	Joint or Infill	Consolidation Code Consolidation Pending	Order No.
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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.

Electronically Signed By: Zeno Farris

Title: Manager Operations Administration

Date: 09/10/2004

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: Garry Edson

Date of Survey: 08/16/2004

Certificate Number: 12641



**Gruy Petroleum Management
New Mexico
Eddy County
Sec 26 T25 R26
Goldeneye 26 Fed Com #2 - Plan 1**

Sperry-Sun

Proposal Report

1 September, 2004

Proposal Ref: pro8501

HALLIBURTON

Proposal Report for Sec 26 T25 R26 - Goldeneye 26 Fed Com #2 -
Plan 1

Measured Depth (ft)	Incl. (Deg)	Grid Azim. (Deg)	Station TVD (ft)	Coordinates Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Comment
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00		
9682.20	0.000	0.000	9682.20	0.00 N	0.00 E	0.00	0.00	Kick-Off at 9682.20ft
9700.00	0.356	180.000	9700.00	0.06 S	0.00 E	0.06	2.00	
9800.00	2.356	180.000	9799.97	2.42 S	0.00 E	2.42	2.00	
9900.00	4.356	180.000	9899.79	8.28 S	0.00 E	8.28	2.00	
10000.00	6.356	180.000	9999.35	17.61 S	0.00 E	17.61	2.00	
10057.21	7.500	180.000	10056.14	24.51 S	0.00 E	24.51	2.00	Build Rate = 2.00°/100ft
10100.00	8.356	180.000	10098.52	30.41 S	0.00 E	30.41	2.00	
10200.00	10.356	180.000	10197.19	46.67 S	0.00 E	46.67	2.00	
10300.00	12.356	180.000	10295.22	66.36 S	0.00 E	66.36	2.00	
10400.00	14.356	180.000	10392.51	89.46 S	0.00 E	89.46	2.00	
10432.21	15.000	180.000	10423.67	97.62 S	0.00 E	97.62	2.00	End of Build at 10432.21ft
10500.00	15.000	180.000	10489.16	115.16 S	0.00 E	115.16	0.00	
10600.00	15.000	180.000	10585.74	141.05 S	0.00 E	141.05	0.00	
10700.00	15.000	180.000	10682.34	166.93 S	0.00 E	166.93	0.00	
10800.00	15.000	180.000	10778.93	192.81 S	0.00 E	192.81	0.00	
10900.00	15.000	180.000	10875.52	218.69 S	0.00 E	218.69	0.00	
11000.00	15.000	180.000	10972.11	244.57 S	0.00 E	244.57	0.00	
11100.00	15.000	180.000	11068.71	270.46 S	0.00 E	270.46	0.00	
11200.00	15.000	180.000	11165.30	296.34 S	0.00 E	296.34	0.00	
11248.18	15.000	180.000	11211.84	308.81 S	0.00 E	308.81	0.00	Hold Angle at 15.000°
11300.00	15.000	180.000	11261.89	322.22 S	0.00 E	322.22	0.00	
11400.00	15.000	180.000	11358.48	348.10 S	0.00 E	348.10	0.00	
11500.00	15.000	180.000	11455.08	373.99 S	0.00 E	373.99	0.00	
11600.00	15.000	180.000	11551.67	399.87 S	0.00 E	399.87	0.00	
11700.00	15.000	180.000	11648.26	425.76 S	0.00 E	425.75	0.00	
11800.00	15.000	180.000	11744.85	451.63 S	0.00 E	451.63	0.00	
11900.00	15.000	180.000	11841.45	477.52 S	0.00 E	477.52	0.00	
12000.00	15.000	180.000	11938.04	503.40 S	0.00 E	503.40	0.00	
12064.15	15.000	180.000	12000.00	520.00 S	0.00 E	520.00	0.00	Target - goldeneye, 100.00 Radius., Current Target
12100.00	15.000	180.000	12034.63	529.28 S	0.00 E	529.28	0.00	
12200.00	15.000	180.000	12131.22	555.16 S	0.00 E	555.16	0.00	
12300.00	15.000	180.000	12227.82	581.04 S	0.00 E	581.04	0.00	
12400.00	15.000	180.000	12324.41	606.93 S	0.00 E	606.93	0.00	
12500.00	15.000	180.000	12421.00	632.81 S	0.00 E	632.81	0.00	
12600.00	15.000	180.000	12517.59	658.69 S	0.00 E	658.69	0.00	
12700.00	15.000	180.000	12614.19	684.57 S	0.00 E	684.57	0.00	
12800.00	15.000	180.000	12710.78	710.46 S	0.00 E	710.46	0.00	
12900.00	15.000	180.000	12807.37	736.34 S	0.00 E	736.34	0.00	
13000.00	15.000	180.000	12903.96	762.22 S	0.00 E	762.22	0.00	
13099.42	15.000	180.000	13000.00	787.95 S	0.00 E	787.95	0.00	Total Depth at 13099.42ft

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to Grid North.
Vertical depths are relative to Well. Northings and Eastings are relative to Well.

The Dogleg Severity is in Degrees per 100 feet.

**Proposal Report for Sec 26 T25 R26 - Goldeneye 26 Fed Com #2 -
Plan 1**

Vertical Section is from Well and calculated along an Azimuth of 180.000° (Grid).

Coordinate System is NAD27 New Mexico State Planes, Eastern Zone.
Grid Convergence at Surface is -0.822°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 13099.42ft.,
The Bottom Hole Displacement is 787.95ft., in the Direction of 180.000° (Grid).

Comments

Measured Depth (ft)	TVD (ft)	Station Coordinates		Comment
		Northings (ft)	Eastings (ft)	
9682.20	9682.20	0.00 N	0.00 E	Kick-Off at 9682.20ft
10057.21	10056.14	24.51 S	0.00 E	Build Rate = 2.00"/100ft
10432.21	10423.67	97.62 S	0.00 E	End of Build at 10432.21ft
11248.18	11211.84	308.81 S	0.00 E	Hold Angle at 15.000°
13099.42	13000.00	787.95 S	0.00 E	Total Depth at 13099.42ft

Targets associated with this wellpath

Target Name	Target Entry Coordinates			Target Shape	Target Type
	TVD (ft)	Northings (ft)	Eastings (ft)		
goldeneye	12000.00	520.00 S	0.00 E	Circle	Current Target
Mean Sea Level/Map Coordinates:	12000.00	520.00 S	0.00 E		
Geographical Coordinates:		30° 59' 19.3665" N	105° 55' 44.0517" W		

Permit Comments

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683**Well: GOLDENEYE 26 FEDERAL COM #002**

User Name	Comment	Comment Date
ZFARRIS	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 4000 PSI, estimated BHT 190 . A preliminary directional survey and C-144 will be sent under seperate cover.	9/10/2004
ZFARRIS	Surface casing per John Simitz at BLM	9/10/2004
VBARTON	APD cannot be approved until conditions of Rule 50 are satisfied.	9/10/2004

Submit 3 Copies To Appropriate District
Office
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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33627
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No. 34239
7. Lease Name or Unit Agreement Name Goldeneye 26 Federal Com
8. Well Number 002
9. OGRID Number 162683
10. Pool name or Wildcat Cottonwood Draw; Morrow (G) 97377

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well X Other

2. Name of Operator
Gruy Petroleum Management Co.

3. Address of Operator
PO Box 140904; Irving, TX 75014

4. Well Location
Unit Letter C : 330 feet from the North line and 1450 feet from the West line
Section 26 Township 25S Range 26E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4037' GR

Pit or Below-grade Tank Application X or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING X MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Request permission to alter casing design and set 4-1/2" 11.60# HCP-110 casing to surface instead of previously approved 4-1/2" liner. Cement with 485 sx Super H. Estimated TOC 7200.'

CEMENT TO COVER ALL OIL,
GAS AND WATER BEARING
ZONES

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE October 21, 2004

Type or print name Natalie Krueger email address: nkrueger@magnumhunter.com Telephone No. 972-401-3111

For State Use Only

APPROVED BY: TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE OCT 28 2004
Conditions of Approval (if any)

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
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87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33627
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No. 34239
7. Lease Name or Unit Agreement Name Goldeneye 26 Federal Com
8. Well Number 002
9. OGRID Number 162683
10. Pool name or Wildcat Cottonwood Draw; Morrow (G) 97377

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4037' GR

Pit or Below-grade Tank Application X or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well X Other

2. Name of Operator
Gruy Petroleum Management Co.

3. Address of Operator
PO Box 140904; Irving, TX 75014

4. Well Location
Unit Letter C : 330 feet from the North line and 1450 feet from the West line
Section 26 Township 25S Range 26E NMPM County Eddy

RECEIVED
NOV 15 2004
OCD-ARTESIA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ TEMPORARILY ABANDON ☐ CHANGE PLANS ☐ PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐	SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTERING CASING ☐ COMMENCE DRILLING OPNS. ☐ P AND A ☐ CASING/CEMENT JOB X
OTHER: _____	OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 10-24-04 Spudded well at 10:30 am on 10-24-04. Ran 9 jts 13-3/8" 54.5# J-55 8rd ST&C New Retreaded casing to 218.' Cemented with 250 sx Premium Plus + 2% CaCl + 4% Bentonite + 25# Flocele. Circulated 58 sx to pit. WOC 17 hrs.
- 10-27-04 Ran 44 jts 9-5/8" 40# NS110/NS80 LT&C New casing to 1902.' Cemented lead with 450 sx Interfill "C" + 1/4# Flocele. Cemented tail with 200 sx Premium Plus + 2% CaCl. Circulated 125 sx to surface. WOC 11 hrs.
- 11-8-04 Ran 223 jts 7" 23# P-110 8rd LT&C New casing to 9025.' Cemented first stage with lead 300 sx Interfill "H" + 1/4 Flocele. Cemented tail with 200 sx Super "H" + 5# Gilsonite + 2.5# Salt + 0.4% CFR-3 + 0.5% LAP-1 + 0.25# D-AIR 3000 + 0.1% HR-7 + 1/4# Flocele. Circulated 70 sx in first stage. Cemented lead of second stage with 525 sx Interfill "C" + 1/4# Flocele. Cemented tail with 150 sx Premium Plus Neat. Circulated 95 sx to pit. TOC 4966.' WOC 20.5 hrs.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE November 11, 2004

Type or print name Natalie Krueger email address: nkrueger@magnumhunter.com Telephone No. 972-401-3111
For State Use Only

APPROVED BY: _____ FOR RECORDS ONLY
Conditions of Approval (if any): _____ TITLE _____ DATE NOV 18 2004

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-33627
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No. 34239
7. Lease Name or Unit Agreement Name Goldeneye 26 Federal Com
8. Well Number 002
9. OGRID Number 162683
10. Pool name or Wildcat Cottonwood Draw; Morrow (G) 97377

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well X Other

RECEIVED

2. Name of Operator
Gruy Petroleum Management Co.

JAN 20 2005

3. Address of Operator
PO Box 140904; Irving, TX 75014

4. Well Location

Unit Letter C : 330 feet from the North line and 1450 feet from the West line
Section 26 Township 25S Range 26E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4037' GR

Pit or Below-grade Tank Application X or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB X

OTHER:

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-27-04 Ran 288 jts 4-1/2" LTC 11.6# HCP-110 new casing to 12525.' Cemented with 425 sx Super H + 0.5% LAP-1 + 0.4% CFR-3 + .1% Salt + 0.25# D-AIR3000 + 0.25# Flocele + 5.0# Gilsonite. Ran temperature survey and found TOC st 6510.'
11-28-04 Released rig at 2300 hours.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE January 19, 2005

Type or print name Natalie Krueger email address: nkrueger@magnumhunter.com Telephone No. 972-401-3111
For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE JAN 21 2005

Conditions of Approval (if any):