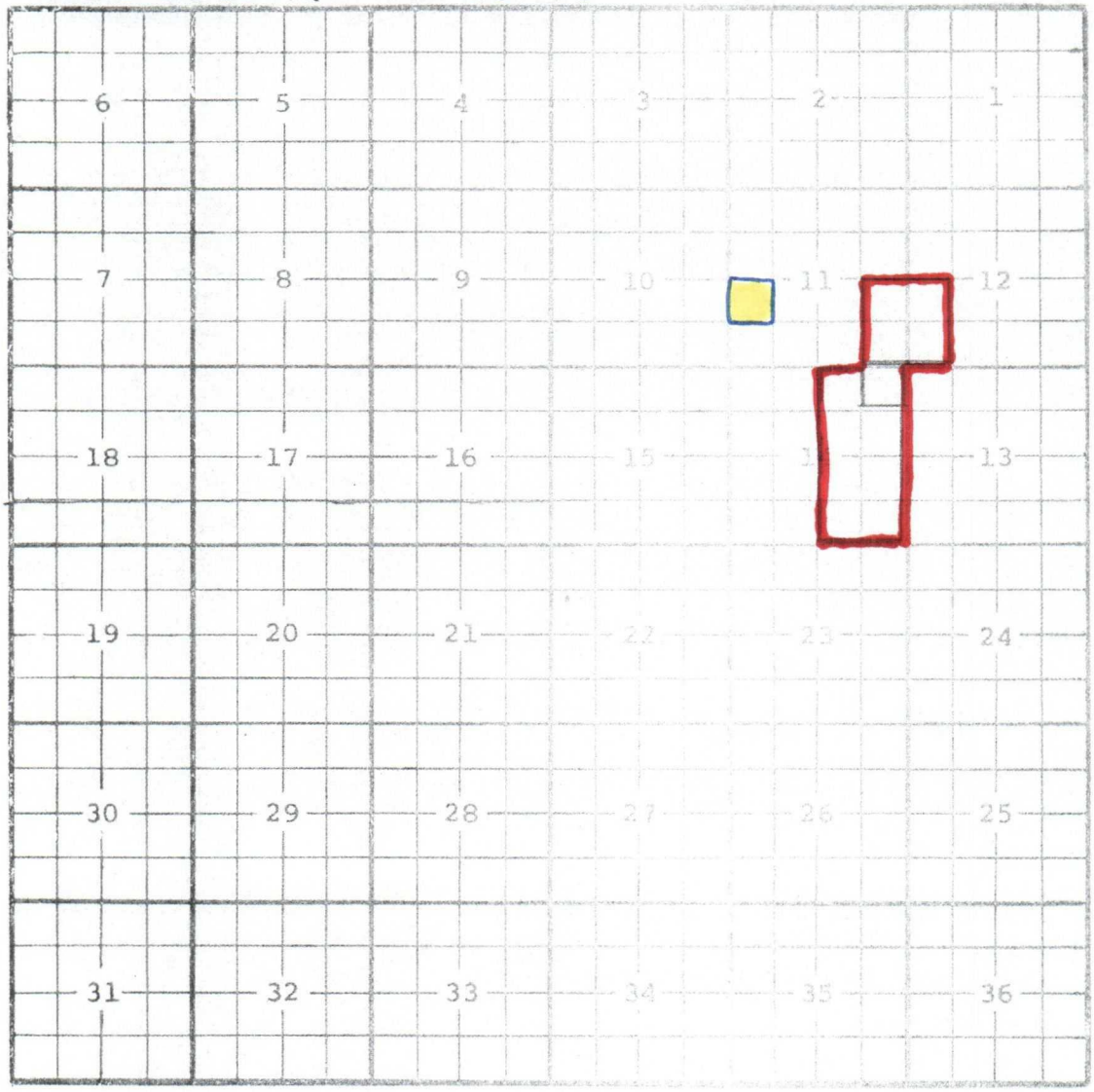
COUNTY Eddy POOL Southwest Sulphate - Delaware

TOWNSHIP 25 South RANGE 26 East NMPM

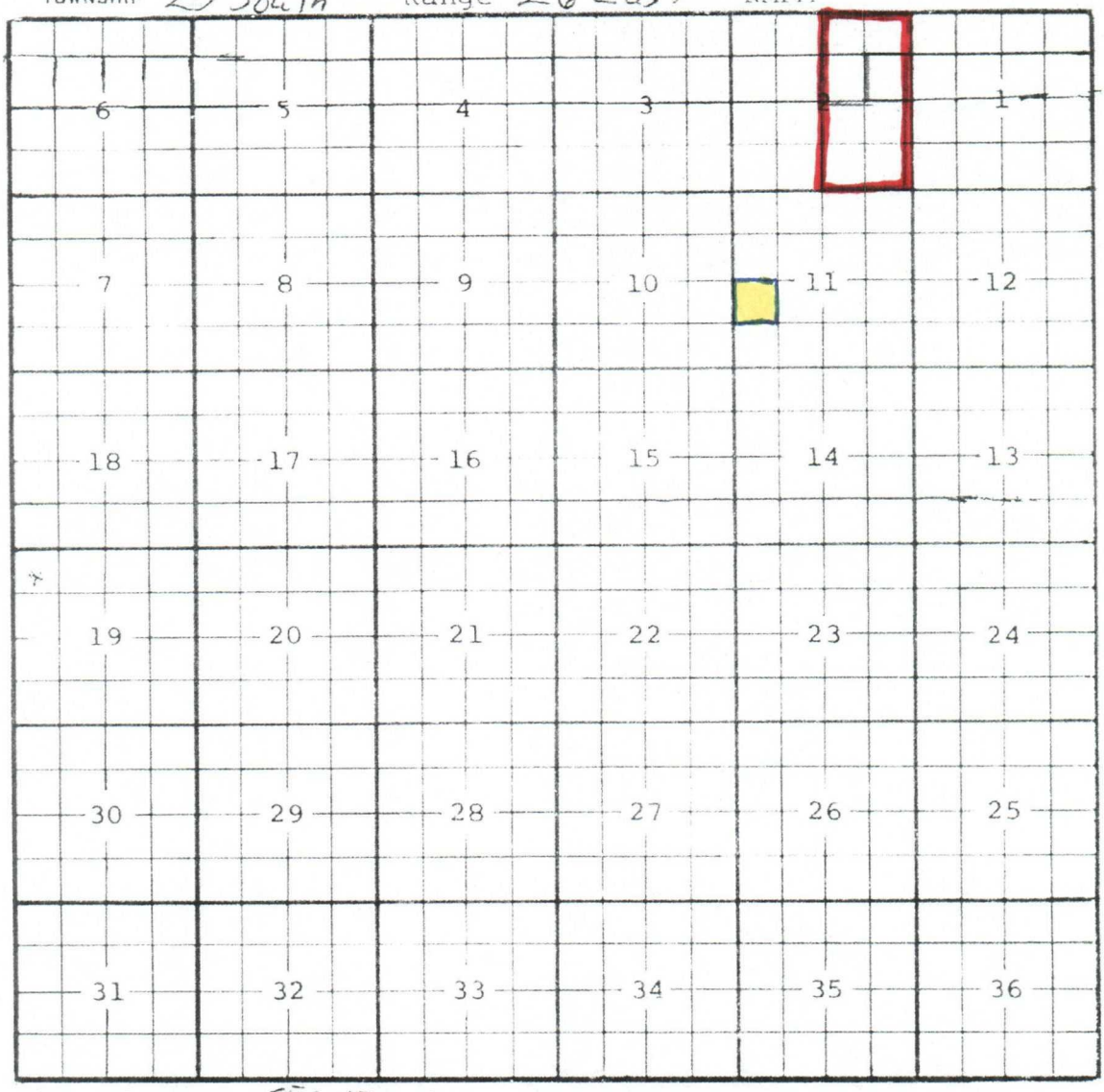


Description: E/2 SE/4 Sec 11, W/2 SW/4 Sec 12 (R-5361, 3-1-77)
Ext: NE/4 NE/4 Sec 14 (R-5876, 12-1-78) EXT: NW/4 NE/4, S/2 NE/4, + SE/4 SEC 14 (R-8562 12/1/87)

96451

County Eddy Pool South Black River-Delaware

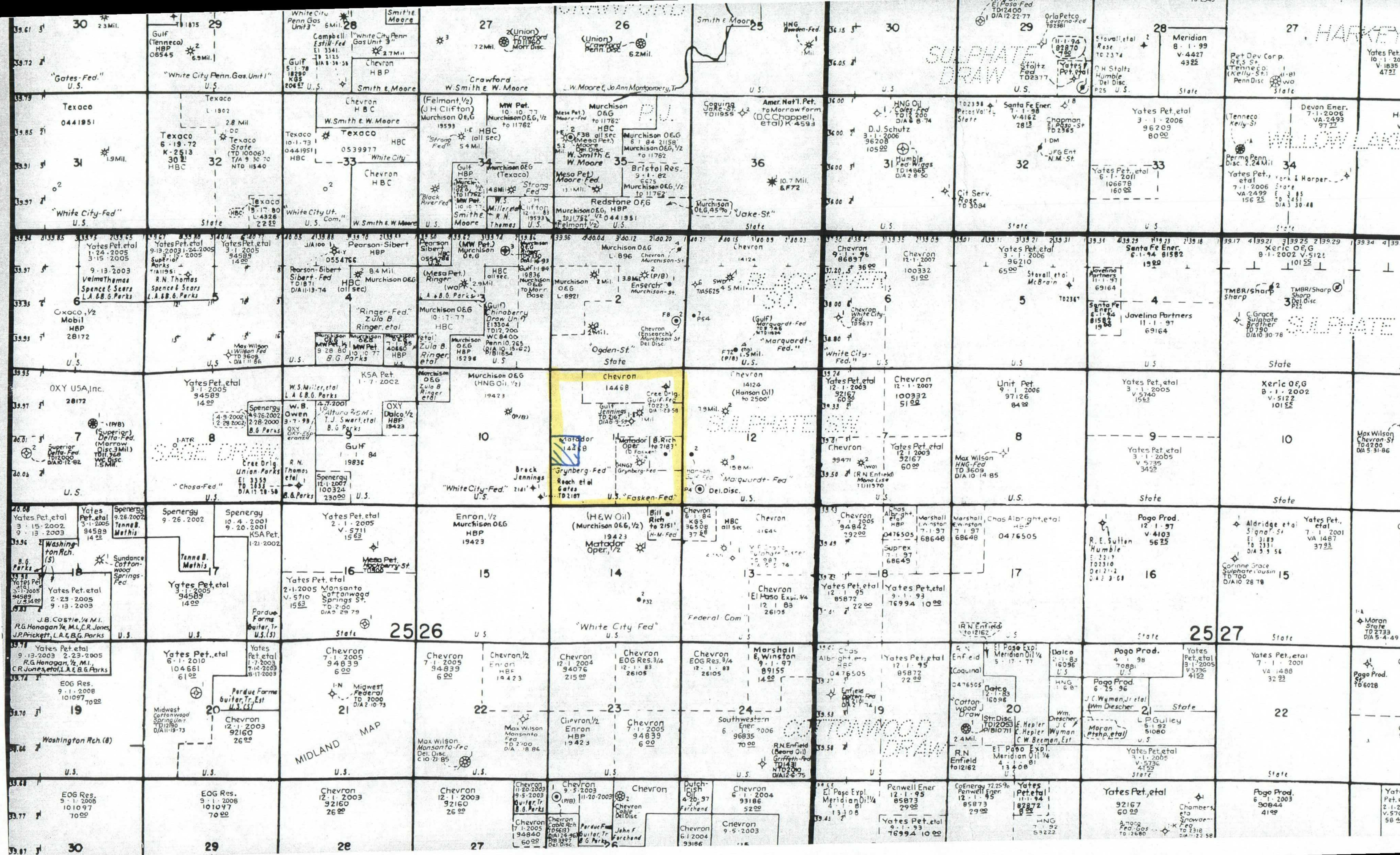
TOWNSHIP 25 South Range 26 East NMPM



Description: SE/4 NE/4 Sec. 2 (R-10389, 6-8-95)

Ext: SE/4 Sec. 2 (R-10389-A and R-10489-A, 3-18-96)

Ext: W/2 NE/4 and NE/4 NE/4 Sec. 2 (R-10619, 7-2-96)



"Gates-Fed."
"White City Penn. Gas Unit I"
"Crawford"
W. Smith & W. Moore
L.W. Moore & Jo Ann Montgomery, Tr
Smith & Moore
Amer. Nat'l. Pet. to Morrow form. (D.C. Chappell, etal) K 4593
SULPHATE DRAW
Meridian 8-1-99 V-4427
"White City-Fed"
Texaco 0441951
Texaco 6-19-72 K-2513
Chevron HBC
"White City Ut. Com."
Murchison O&G
Redstone O&G HBP 0441951
Bristol Res.
"Jake-St."
D.J. Schutz 3-1-2006 96208
Yates Pet., etal 3-1-2006 96209
WILLOW LAKE
Devon Ener. 7-1-2006 VA-2493
Pearson-Sibert HBP
"Ringer-Fed." Zula B. Ringer, etal
"Ogden-St."
BLACK RIVER SO.
"Marquardt-Fed."
Santa Fe Ener. 6-1-94 81582
Javelina Partners 11-1-97 69164
TMBR/Sharp
Xeric O&G 8-1-2002 V-5122
SULPHATE
Oxoco, 1/2 Mobil HBP 28172
OXY USA, Inc. 28172
Yates Pet., etal 3-1-2005 94589
SAGE DRAW
"Chosa-Fed."
Gulf 19836
Murchison O&G (HNG Oil, 1/2) 19423
"White City-Fed."
Chevron 14468
"Grynberg-Fed"
"Fasken-Fed"
Chevron 14124 (Hanson Oil) to 2500'
SULPHATE SW
"Marquardt-Fed"
Unit Pet. 9-1-2006 97126
Max Wilson HNG-Fed
Enron, 1/2 Murchison O&G HBP 19423
(H&W Oil) (Murchison O&G, 1/2) 19423 Matador Oper., 1/2
"White City Fed"
Federal Com
Chevron El Paso Expl. 1/4
Chas Albright, etal 0476505
Pogo Prod. 12-1-97 V-4103
Aldridge etal Signal-St
Yates Pet., etal 2-23-2005 9-13-2003
Spenergy 9-26-2002
Tenneß. Mathis
Monsanto Cottonwood Springs St.
Washington Rch. (8)
MIDLAND MAP
Chevron 7-1-2005 94839
Chevron, 1/2 Enron HBP 19423
Southwestern Ener 6 96835
COTTONWOOD DRAW
Yates Pet., etal 9-1-93 76994
Pogo Prod. 4-1-98
Yates Pet., etal 7-1-2001 VA 1488
EOG Res. 9-1-2008 101097
Chevron 12-1-2003 92160
Chevron 6-1-2004 93186
Chevron 9-5-2003
Penwell Ener 12-1-95 85873
Yates Pet., etal 92167
Pogo Prod. 6-1-2003 90844
25 26
25 27

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

60-3
ly 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
NM 14468

6. IF INDIAN, ALLOTTES OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ]

1b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME
Grynburg 11 Federal Com

2. NAME OF OPERATOR
Gruy Petroleum Management Co. 162683 300599

8. FARM OR LEASE NAME, WELL NO.
Grynberg 11 Federal Com No. 3

3. ADDRESS AND TELEPHONE NO.
P.O. Box 140907 Irving TX 75014 972-401-3111

9. API WELL NO.
30-015-34193

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
1500' FSL & 1300' FWL Section 11-25S-26E

10. FIELD AND POOL, OR WILDCAT
White City; Penn 87280

11. SEC. T.,R.,M., BLOCK AND SURVEY OR AREA
Sec. 11 T25S R26E

RECEIVED
JUL 05 2005
OCD-ARTESIA

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles South of Carlsbad

12. COUNTY OR PARISH
Eddy

13. STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drig. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1300'	480	640

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
2335'	13000'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3328' GR

Carlsbad Controlled Water Basin

22. APPROX. DATE WORK WILL START*
06-30-05

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE,SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	J-55 13 3/8" WITNESS	54.5 #	200'	225 sx circulate
12 1/4"	NS-110 9 5/8"	40 #	3200'	1000 sx circulate
8 3/4"	P-110 5 1/2"	17 #	13000'	1920 sx TOC 2700'

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system. We are requesting a variance for the 13 3/8" surface casing and BOP testing from Onshore Order No. 2, which states all casing strings below the conductor, shall be pressure tested to .22 psi per foot or 1500 # whichever is greater, but not to exceed 70% of the manufactures stated maximum internal yield. During the running of the surface pipe and the drilling of the intermediate hole we do not anticipate any pressures greater than 1000 # and are requesting a variance to test the 13 3/8" casing and BOP system to 1000 # psi, and use rig pumps instead of an independent service company.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24
SIGNED Zena Farris TITLE Mgr. Ops. Admin DATE 06-06-05

(This space for Federal or State office use)

PERMIT No. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Joe G. Lara TITLE FIELD MANAGER DATE JUL 01 2005

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

5-17 >9.5

Gruy Petroleum Management Co.
600 East Las Colinas Blvd. • Suite 1100 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., a NYSE company MHR

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management
2909 West 2nd Street
Roswell New Mexico 88201-2019
Attn: Ms. Linda Askwig

Gruy Petroleum Management Co. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: NM - 14468

Legal Description: All Sec 11, T25S-R26E
Containing 640 acres, Eddy County New Mexico

Formation (S): Morrow/Pennsylvanian

Bond Coverage: Nationwide BLM Bond

BLM Bond File No.: NM 2575

Authorized Signature: Zeno Farris

Representing Gruy Petroleum Management Co.

Name: Zeno Farris

Title: Manager, Operations Administration

Date: 06/06/05

Application to Drill

Gruy Petroleum Management Co.
Grynberg 11 Federal Com No. 3
Unit Letter J Section 11
T25S R26E Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1 Location: 1500' FSL & 1300' FWL Sec. 11 25S 26E

2 Elevation above sea level: GR 3328'

3 Geologic name of surface formation: Quaternery Alluvium Deposits

4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5 Proposed drilling depth: 13000'

6 Estimated tops of geological markers:

T/Salt	200'	Cisco Canyon	9928
B/Salt	800'	Strawn	10078
Delaware	1500	Atoka	10388
Bone Spring	6168	Morrow	11,158
Wolfcamp	8098	Barnett	11,768

7 Possible mineral bearing formation:

Strawn	Gas
Atoka	Gas
Morrow	Gas

8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17 1/2"	0-200'	13 3/8"	54.5	8-R	ST&C	J-55
12 1/4"	0-3200'	9 5/8"	40	8-R	ST&C	NS-110
7 7/8"	0-13000'	5 1/2"	17	8-R	ST&C	N-80 / S-95

Application to Drill

Gruy Petroleum Management Co.
Grynberg 11 Federal Com No. 8
Unit Letter J Section 11
T25S - R26E Eddy County, NM

9 <u>Cementing & Setting Depth:</u>

13 3/8"	Surface	Set 200' of 13 3/8" J-55 54.5 ST&C casing. Cement with 225 Sx. Of Class "C" cement + additives, circulate cement to surface.
9 5/8"	Intermediate	Set 3200' of 9 5/8" NS-110 40# ST&C casing or casing sufficient to reach the base of the reef complex. Cement in two stages, first stage cement with 775 Sx. Of Class POZ/C Cement + additives, second stage cement with 225 Sx. Of Class "C" + additives, circulate cement to surface.
5 1/2"	Production	Set 13000' of 5 1/2" NP-80 / S-95 17# ST&C casing. Cement in two stages, first stage cement with 870 Sx. of Class POZ/C Cement + additives. Second stage cement with 1050 Sx of Class "C" Estimated top of cement 2700'.

10 <u>Pressure control Equipment:</u> Exhibit "E". A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. BOP unit will be hydraulically operated. BOP will be nippled up on the 9 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

11 <u>Proposed Mud Circulating System:</u>

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 200'	8.4 - 8.6	30 - 32	May lose circ.	Fresh water spud mud add paper to control seepage and high viscosity sweeps to clean hole.
200' - 3200'	9.7 - 10.0	28 - 29	May lose circ	Brine water. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole.
3200' - 8300'	8.4 - 9.9	28 - 29	NC	Fresh water. Paper for seepage. Lime for pH (9 - 9.5)
8300' - 10000'	8.45 - 8.9	28 - 29	NC	Cut brine. Caustic for pH control.
10000' - 13000'	8.9 - 9.7	29 - 45	NC	XCD Polymer mud system.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

Application to Drill

Gruy Petroleum Management Co.
Grynberg 11 Federal Com No. 3
Unit Letter J Section 11
T25S - R26E Eddy County, NM

12 Testing, Logging and Coring Program:

A. Mud logging program: One-man unit from 8000' to TD

B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR

C. No DST's, or cores are planned at this time.

13 Potential Hazards:

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 .

14 Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 35 - 45 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Strawn / Morrow / Atoka pay will be perforated and stimulated. The well will be tested and potentialed as a gas well.

Surface Use Plan

Gruy Petroleum Management Co.
Grynberg 11 Federal Com No. 3
Unit Letter J Section 11
T25S - R26E Eddy County, NM

1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Lea Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From the intersection of County Road # 720 (Black River Rd.) and County Road # 742 (Forehand Rd.) Go south on Co. Rd. 742 for 7.0 miles. Turn right, west and go 1.2 miles, turn right (NW) and go 1.0 miles, veer left and go west for 0.1 miles, veer right and go NW for 0.2 miles to a proposed road survey.

2 PLANNED ACCESS ROADS: 5004' of access road will be constructed.

3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"

A. Water wells - None Know

B. Disposal wells - None known

C. Drilling wells - None known

D. Producing wells - As shown on Exhibit "A"

E. Abandoned wells - As shown on Exhibit "A"

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		White City; Penn (Gas)

Property Code	Property Name	Well Number
	GRYNBERG 11 FEDERAL COM	3

OGRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT COMPANY	3328'

Surface Location

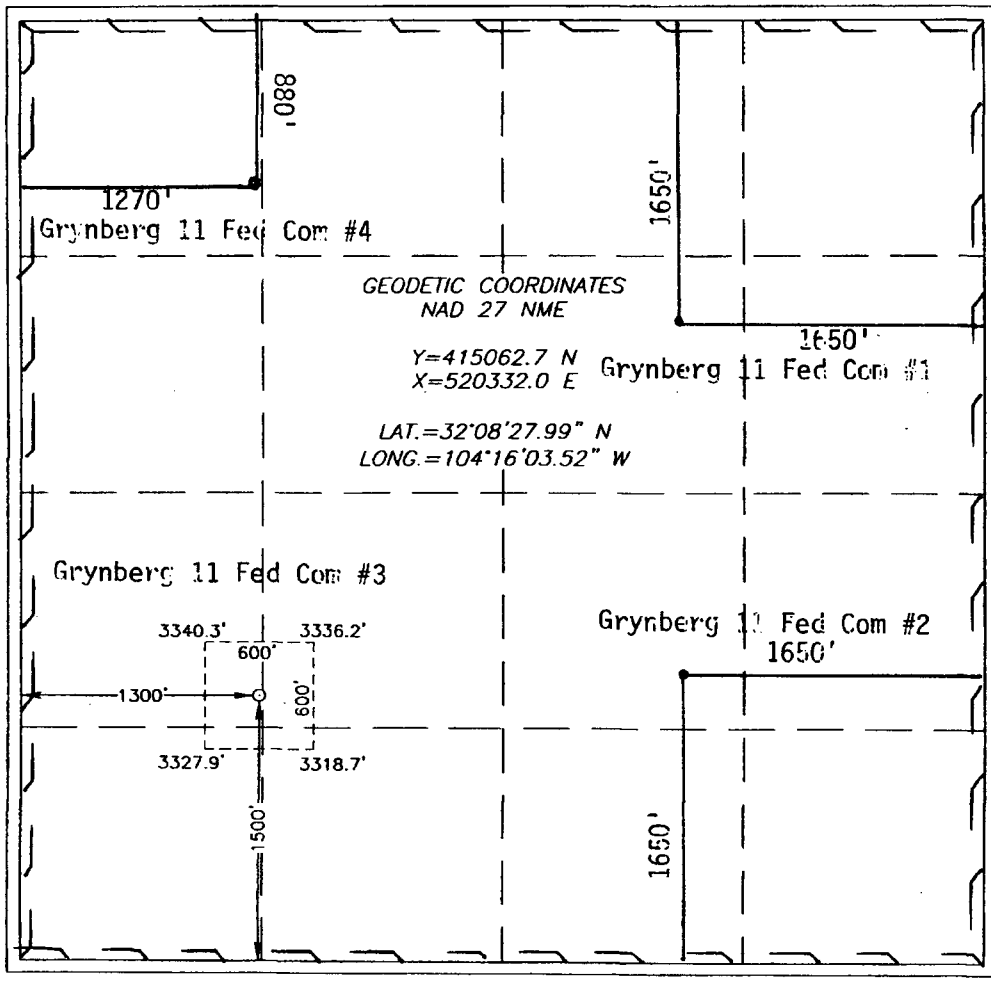
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	25-S	26-E		1500	SOUTH	1300	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640	Y		

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Zenc Farris
Signature

Zenc Farris
Printed Name

Mgr Operations Admin
Title

June 7, 2005
Date

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 supervison, and that the same is true and correct to the best of my belief.

MAY 17, 2005
Date Surveyed JR

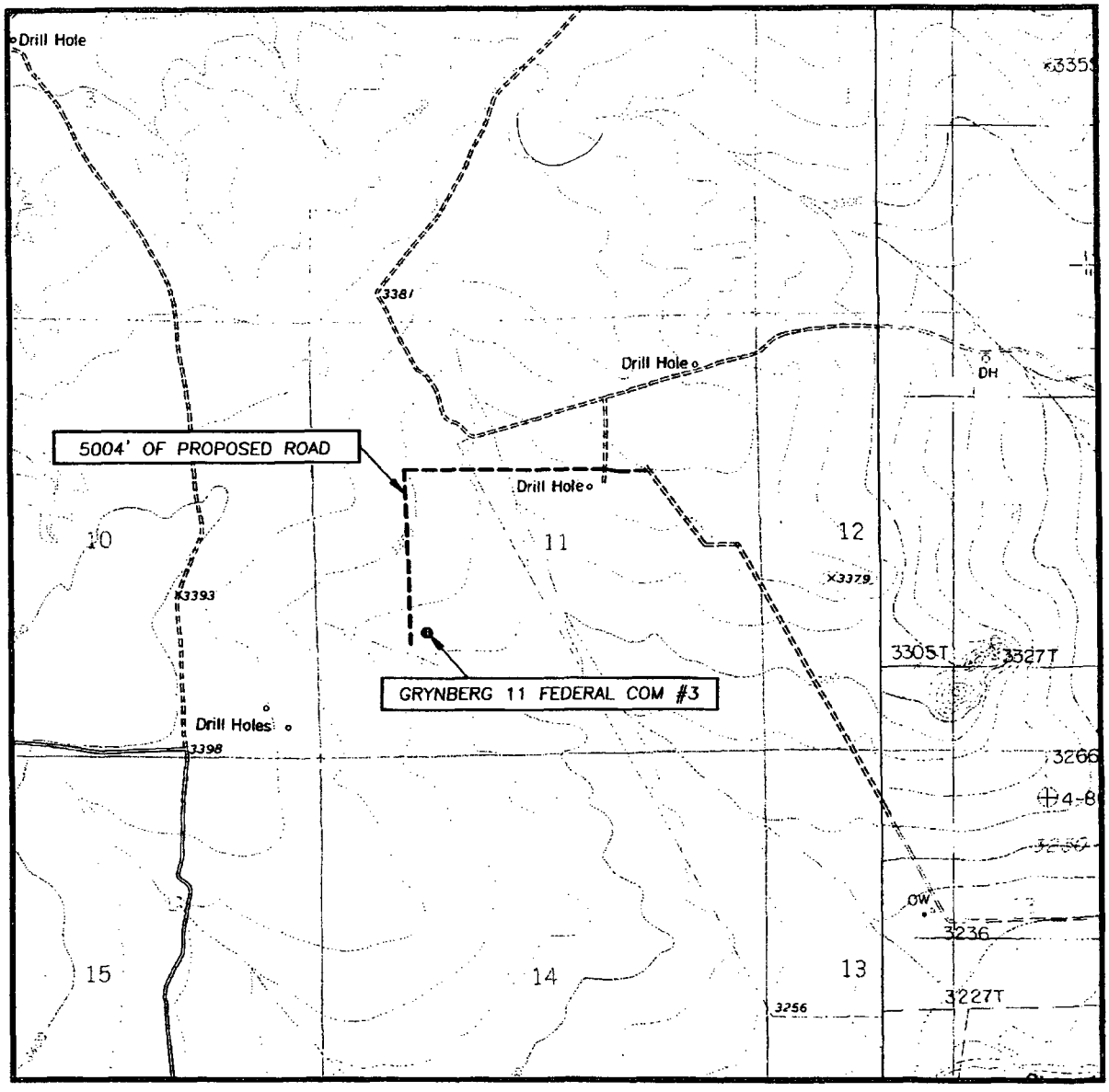
Signature & Seal of Professional Surveyor

Gary L. Eidson 5/26/05

05.11.0735

Certificate No. GARY EIDSON 12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BOND DRAW, N.M. – 10'
BLACK RIVER VILLAGE, N.M. – 20'

SEC. 11 TWP. 25-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1500' FNL & 1300' FWL

ELEVATION 3328'

OPERATOR GRUY PETROLEUM MANAGEMENT COMPANY

LEASE GRYNBERG 11 FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP
BLACK RIVER VILLAGE, N.M.

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Exhibit C

N.M. Oil Cons. DIV-Dist. 2

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
AUG 24 2005
OCD-ARTESIA

5. Lease Serial No.
NMNM14468

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Grynberg 11 Fed Com

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Grynberg 11 Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015-34193

3a. Address
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. *(include area code)*
972-401-3111

10. Field and Pool, or Exploratory Area
White City; Penn (87280)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11-T25S-R26E
1500' FSL & 1300' FWL

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other Alter Casing
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Gruy is changing the casing on the Grynberg 11 Federal Com No. 3 as follows:

Surface casing — Use 13-3/8" 48# H-40 ST&C to 200' instead of 13-3/8" 54.5# J-55 ST&C to 200

Intermediate Casing — Use 9-5/8" 40# J-55 LT&C to 3200' instead of 9-5/8" 40# NS-110 LT&C to 3200'

APPROVED
AUG 23 2005
(ORIG. SGD.) ALEXIS C. SWOBODA
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Natalie Krueger

Title
Regulatory Technician

Signature
Natalie Krueger

Date
August 19, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NMNM14468

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Grynberg 11 Fed Com

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Grynberg 11 Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015-34193

3a. Address
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. *(include area code)*
972-401-3111

10. Field and Pool, or Exploratory Area
White City; Penn (87280)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11-T25S-R26E
1500' FSL & 1300' FWL

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other Alter 9-5/8" casing depth
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Gruy is changing the casing on the Grynberg 11 Federal Com No. 3 as follows:

Intermediate Casing Use 9-5/8" 40# J-55 LT&C to 2850' instead of to 3200'.

RECEIVED
SEP 14 2005
OCD-ARTESIA

APPROVED
SEP - 7 2005
LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*	Title
Natalie Krueger	Regulatory Technician
Signature: Natalie Krueger	Date: August 25, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
SEP 16 2005
OCD-ARTESIA

5. Lease Serial No.
NMNM14468

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Grynberg 11 Fed Com

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Grynberg 11 Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015-34193

3a. Address
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. *(include area code)*
972-401-3111

10. Field and Pool, or Exploratory Area
White City; Penn (87280)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11-T25S-R26E
1500' FSL & 1300' FWL

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other set surface & intermediate casing
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

08-24-05 Spudded well at 6am. Drilled to 207'. Ran 5 jts 13-3/8" 48# H-40 STC casing to 207'. Cemented with 235sx Premium Plus + 2% CaCl. Circulated 54sx to pit. Tested casing to 1000psi for 15 minutes. WOC 15.5 hours.

08-27-05 Ran 74jts 9-5/8" 40# K-55 LTC casing to 2854'.

08-28-05 Cemented with lead 725sx Interfill C + 1/4# Flocele and tail 200sx Premium Plus + 1% CaCl. Circulated 225sx to pit. Tested casing to 1500psi for 30 minutes. WOC 13.5 hours.

ACCEPTED FOR RECORD
SEP 15 2005
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*	Title
Natalie Krueger	Regulatory Technician
Signature: Natalie Krueger	Date: September 8, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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(Instructions on reverse)

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
OCT 21 2005
OCD-ARTESIA

5. Lease Serial No.
NMNM14468

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Grynberg 11 Fed Com

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Grynberg 11 Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015-34193

3a. Address
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. *(include area code)*
972-401-3111

10. Field and Pool, or Exploratory Area
White City; Penn (87280)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 11-T25S-R26E
1500' FSL & 1300' FWL

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other set production casing
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

09-15-05 Reached TD (12275') of 8-3/4" hole.

09-18-05 Ran 270jts 5-1/2" 17# P-110 LTC casing to 12275'. Cemented first stage with lead of 640sx Interfill H 11.9# and tail of 360sx Permian Basin Super H 13.2#. Cemented second stage with lead of 1040sx Interfill C 11.9# and tail of 100sx Premium H 15.6#. Circulated 125sx to pit. TOC surface. Released rig.

09-27-05 Tested casing to 4000psi for 30 minutes.

ACCEPTED FOR RECORD
OCT 19 2005
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Natalie Krueger

Title
Regulatory Technician

Signature
Natalie Krueger

Date
10-1105

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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(Instructions on reverse)

OCD-ARTESIA

Form 3160-4
(October 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE* (See other instructions on reverse side)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.: NM-14468

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

7. UNIT AGREEMENT NAME: Grynberg 11 Federal Com

8. FARM OR LEASE NAME, WELL NO.: Grynberg 11 Federal Com No. 3

2. NAME OF OPERATOR: Gruy Petroleum Management Co.

9. API WELL NO.: 30-015-34193 0051

3. ADDRESS AND TELEPHONE NO.: P O Box 140907 Irving Tx. 75014-0907

10. FIELD AND POOL, OR WILDCAT: White City; Penn (Gas)

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*
At surface 1500' FSL & 1300' FWL
At top prod. interval reported below 1500' FSL & 1300' FWL
At total depth 1500' FSL & 1300' FWL

RECEIVED
MAR 10 2006
OCD-ARTESIA

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: 11-25S-26E

14. PERMIT NO. | DATE ISSUED

12. COUNTY OR PARISH: Eddy | 13. STATE: NM

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
08-24-05	09-15-05	11-29-05	3328' GR	

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
12275'	12263'		→	All	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
White City; Penn (Gas) 11744' - 11925'

25. WAS DIRECTIONAL SURVEY MADE: Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Spaced Neutron, DLL Microguard, Cement Bond Log

27. WAS WELL CORED: No

28. CASING RECORD (*Report all strings set in well*)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48#	207'	17-1/2"	235 sx PremPlus circ 54 sx	
9-5/8" J-55	40#	2854'	12-1/4"	925 sx IntC/PremPlus circ 225 sx	
5-1/2" P-110	17#	12275'	8-3/4"	2140 sx IntH/SupH/IntC/PremH circ 125 sx TOC surface	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	11697'	

31. PERFORATION RECORD (*Interval, size and number*)
11880' - 11925' 6 SPF 84 Holes
11744' - 11818' 6 SPF 102 Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11880' - 11925'	16086 gal foam 45# gel 85:15 7% KCL,CO2, Methanol
11880' - 11-25'	28837 gal foam 45# gel 85:15 7% KCL,CO2,Methanol & 48000# Versaprop
11744' - 11818'	29864 gal foam 45# gel 85:15 7% KCL, CO2, Methanol 50000# Versaprop

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
12-31-05	Flowing	Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
01-26-06	24	WO		0	8	0	NA

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
50	700		0	8	0	N/A

34. DISPOSITION OF GAS (*Sold, used for fuel, vented, etc.*)
Sold

35. LIST OF ATTACHMENTS
Electric logs and Inclination Summary

ACCEPTED FOR RECORD
MAR 8 2006
DAVID R. GLASS
PETROLEUM ENGINEER

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Natalie Krueger TITLE Reg Tech DATE 03-03-06

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-34193	87280	White City; Penn (Gas)

Property Code	Property Name	Well Number
	GRYNBERG 11 FEDERAL COM	3

OGRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT COMPANY	3328'

Surface Location

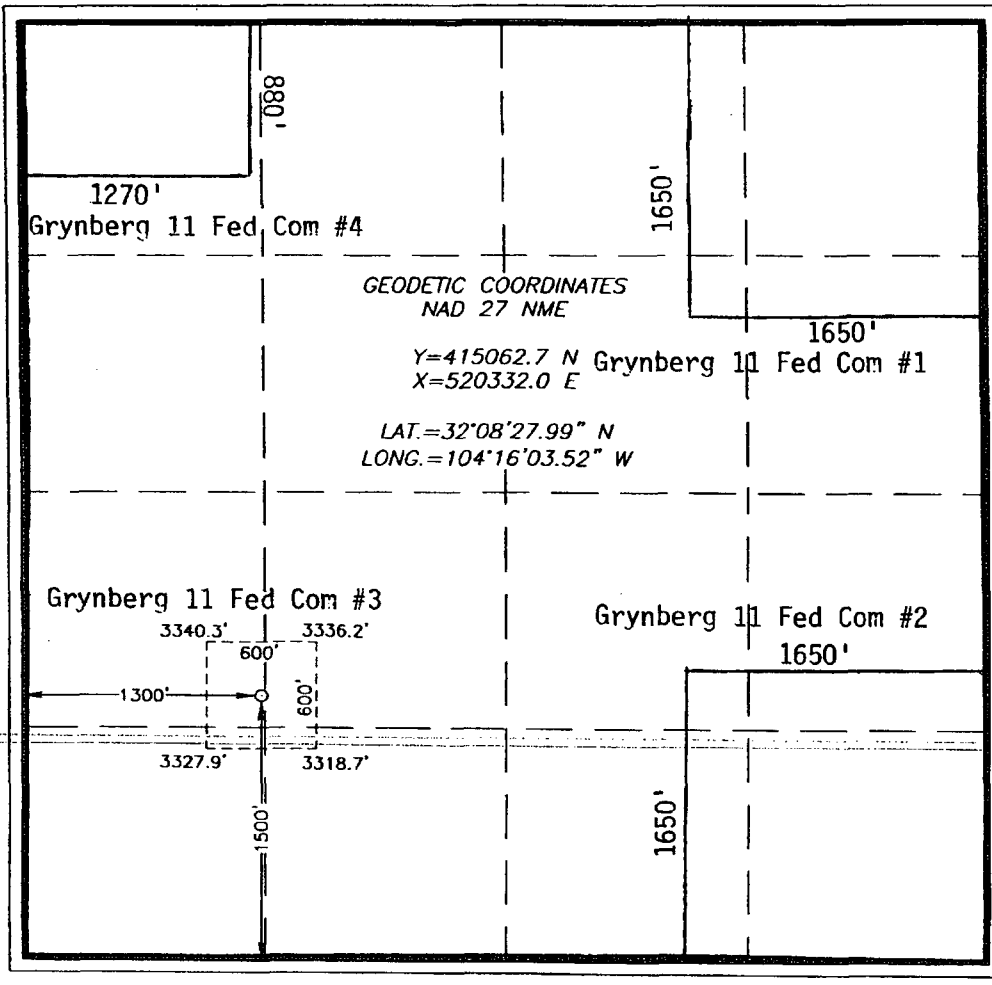
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	25-S	26-E		1500	SOUTH	1300	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640	Y	C	

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Zeno Farris

Printed Name
Mgr Operations Admin

Title
03-03-06

Date

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 supervison, and that the same is true and correct to the best of my belief.

MAY 17, 2005

Date Surveyed JR

Signature & Seal of Professional Surveyor

GARY L. EIDSON
NEW MEXICO
12641
REGISTERED PROFESSIONAL SURVEYOR

Gary L. Eidson 5/26/05

05.11.0735

Certificate No. GARY EIDSON 12641

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Delaware	1912'	
Bone Spring	5414'	
Wolfcamp	8575'	
Cisco-Canyon	10178'	
Strawn	10479'	
Atoka	10683'	
Morrow	11266'	

OPERATOR Gruy Petroleum Management
WELL/LEASE Grynberg 11 Fed Com 3
COUNTY Eddy, NM

080-0036

STATE OF NEW MEXICO
DEVIATION REPORT

170	3/4
473	1
936	1
1,423	1
1,770	2
1,968	1
2,213	1
2,657	2
2,794	2
2,806	1/4
3,262	1/2
3,673	1
4,148	1/2
4,622	1
5,066	1
5,381	1
5,802	1
6,270	1/2
6,745	1/2
7,187	1/2
7,630	2 1/2
7,756	1 1/2
7,946	3
8,083	1 1/2
8,367	1 1/4
8,871	1/2
9,346	1
9,814	1
10,256	1
10,666	1/2
10,690	4
10,906	4
11,378	4 1/4
11,882	5 1/4
12,275	5 1/4

BY: _____

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on October 4, 2005, by Steve Moore on behalf of Patterson - UTI Drilling Company, LP, LLLP.

_____
Notary Public for Midland County, Texas
My Commission Expires: 8/23/07

J ROBERTSON
Notary Public, State of Texas
My Commission Expires:
August 23, 2007

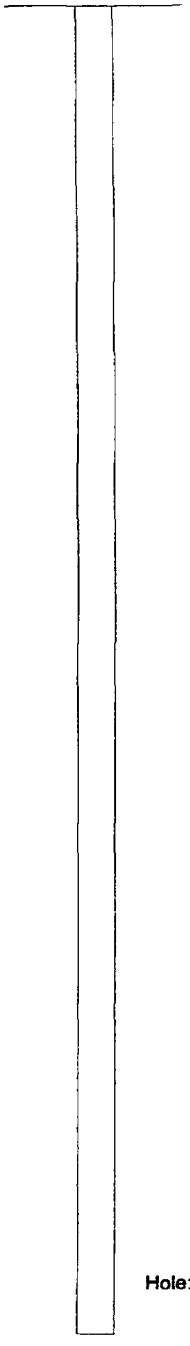
30-015-34193-00-00 **GRYNBERG 11 FEDERAL COM No. 003**

Company Name: GRUY PETROLEUM MANAGEMENT CO.

Location: Sec: 11 T: 25S R: 26E Spot:
Lat: 32.1412152118266 Long: -104.268074544027

Property Name: GRYNBERG 11 FEDERAL COM

County Name: Eddy



Hole: Unknown

TD: TVD: 0 PBTD:

String Information

Cement Information

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Sqz
0	0			

Formation Information

St Code	Formation	Depth
Psal	Salado	324
Pbslt	Base of Salt	1788
Pdel	Delaware	1912
Pbs	Bone Spring	5414
Pwc	Wolfcamp	8575
Ppupp	Upper Pennsylvanian Undesigna	10178
PPst	Strawn	10479
Ppat	Atoka	10683
Ppmor	Morrow	11266

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources

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

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

[1] Operator name and Address	[2] OGRID Number
Gruy Petroleum Management Co. PO Box 140907 Irving, TX 75014	162683
	[3] Reason for Filing Code/ Effective Date NW - 12-01-05

[4] API Number	[5] Pool Name	[6] Pool Code
30 - 025-34193	White City; Penn (Gas)	87280
[7] Property Code	[8] Property Name	[9] Well Number
	Grynberg 11 Federal Com	003

II. [10] Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	11	25S	26E		1500	South	1300	West	Eddy

[11] Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Lse Code	[13] Producing Method Code	[14] Gas Connection Date	[15] C-129 Permit Number	[16] C-129 Effective Date	[17] C-129 Expiration Date
	F	12-31-05			

III. Oil and Gas Transporters

[18] Transporter OGRID	[19] Transporter Name and Address	[20] POD	[21] O/G	[22] POD ULSTR Location and Description
226737	Hunter Gas Gathering, Inc. PO Box 140907 Irving, TX 75014-0907		G	Same as above
				RECEIVED MAR 07 2006 OCD-ARTESIA

IV. Produced Water

[23] POD	[24] POD ULSTR Location and Description
	Same as above

V. Well Completion Data

[25] Spud Date	[26] Ready Date	[27] TD	[28] PBTD	[29] Perforations	[30] DHC, MC
08-24-05	11-29-05	12275'	12263'	11744' - 11925'	

[31] Hole Size	[32] Casing & Tubing Size	[33] Depth Set	[34] Sacks Cement
17-1/2"	13-3/8" 48# H-40	207'	235 sx PremPlus circ 54 sx
12-1/4"	9-5/8" 40# J-55	2854'	925 sx IntC/PremPlus circ 225 sx
8-3/4"	5-1/2" 17# P-110	12275'	2140 sx IntH/SupH/IntC/PremH circ 125 sx TOC surface
	2-3/8"	11697'	

VI. Well Test Data

[35] Date New Oil	[36] Gas Delivery Date	[37] Test Date	[38] Test Length	[39] Tbg. Pressure	[40] Csg. Pressure
	12-31-05	01-26-06	24	50	700
[41] Choke Size	[42] Oil	[43] Water	[44] Gas	[45] AOF	[46] Test Method
wo	0	0	8	11	F

[47] I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: Natalie Krueger

Printed name: Natalie Krueger

Title: Reg Tech

E-mail Address: nkrueger@cimarex.com

Date: 3/3/2006 Phone: 469-420-2723

OIL CONSERVATION DIVISION

Approved by: District II Supervisor

Title:

Approval Date: MAR 07 2006

Form C-104B
Permit 26456

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

Change of Operator Name

OGRID: 162683
Effective Date: 5/1/2006

Previous Operator Name and Information		New Operator Name and Information	
Name:	GRUY PETROLEUM MANAGEMENT CO.	Name:	Cimarex Energy Co. of Colorado
Address:	PO BOX 140907	Address:	PO Box 140907
Address:		Address:	
City, State, Zip:	IRVING , TX 750140907	City, State, Zip:	Irving, TX 75014-0907

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given on this form and the certified list of wells is true to the best of my knowledge and belief.

Signature: Zeno Farris

Printed Name: Zeno Farris

Title: Manager Operations Administration

Date: 05-08-06 Phone: 972-443-6489

NMOCD Approval
Date: May 15, 2006

CMD : ONGARD 08/18/06 11:56:54
OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGOEEM -TQ9E

OGRID Identifier : 162683 CIMAREX ENERGY CO. OF COLORADO
Prop Identifier : 300599 GRYNBERG 11 FEDERAL COM
API Well Identifier : 30 15 34193 Well No : 003
Surface Locn - UL : L Sec : 11 Twp : 25S Range : 26E Lot Idn :
Multple comp (S/M/C): S TVD Depth (Feet) : 12275 MVD Depth (Feet): 12275
Spud Date : 08-24-2005 P/A Date :
Casing/Linear Record:

S	Size (inches)	Grade	Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	TOC Code

E0004: No matching record found. Enter data to create.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD : ONGARD 08/18/06 11:56:58
OG6IWCM INQUIRE WELL COMPLETIONS OGOEEM -TQ9E

API Well No : 30 15 34193 Eff Date : 07-01-2005 WC Status : A
Pool Idn : 87280 WHITE CITY;PENN (GAS)
OGRID Idn : 162683 CIMAREX ENERGY CO. OF COLORADO
Prop Idn : 300599 GRYNBERG 11 FEDERAL COM

Well No : 003
GL Elevation: 3328

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act(P/A)
B.H. Locn :	L	11	25S	26E	FTG 1500 F S	FTG 1300 F W	P

Lot Identifier:
Dedicated Acre: 640.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 08/18/06 11:57:03
OG6ACRE C102-DEDICATE ACREAGE OGOEEM -TQ9E
Page No : 1

API Well No : 30 15 34193 Eff Date : 03-31-1994
Pool Idn : 87280 WHITE CITY;PENN (GAS)
Prop Idn : 300599 GRYNBERG 11 FEDERAL COM Well No : 003
Spacing Unit : 28621 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 11 25S 26E Acreage : 640.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot Idn
	A	11	25S	26E	40.00	N	FD	
	B	11	25S	26E	40.00	N	FD	
	C	11	25S	26E	40.00	N	FD	
	D	11	25S	26E	40.00	N	FD	
	E	11	25S	26E	40.00	N	FD	
	F	11	25S	26E	40.00	N	FD	
	G	11	25S	26E	40.00	N	FD	
	H	11	25S	26E	40.00	N	FD	
	I	11	25S	26E	40.00	N	FD	

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

API Well No : 30 15 34193 Eff Date : 03-31-1994
Pool Idn : 87280 WHITE CITY;PENN (GAS)
Prop Idn : 300599 GRYNBERG 11 FEDERAL COM Well No : 003
Spacing Unit : 28621 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 11 25S 26E Acreage : 640.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot Idn
	J	11	25S	26E	40.00	N	FD	
	K	11	25S	26E	40.00	N	FD	
	L	11	25S	26E	40.00	N	FD	
	M	11	25S	26E	40.00	N	FD	
	N	11	25S	26E	40.00	N	FD	
	O	11	25S	26E	40.00	N	FD	
	P	11	25S	26E	40.00	N	FD	

CMD : ONGARD 08/18/06 11:56:45
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOEEM -TQ9E
Page No: 1

OGRID Identifier : 162683 CIMAREX ENERGY CO. OF COLORADO
Pool Identifier : 87280 WHITE CITY;PENN (GAS)
API Well No : 30 15 34193 Report Period - From : 01 2005 To : 07 2006

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Volumes Gas	Oil	Water	Well Stat
30 15 34193	GRYNBERG 11 FEDERAL	04 06	25	155			F
30 15 34193	GRYNBERG 11 FEDERAL	05 06	29	454			F
30 15 34193	GRYNBERG 11 FEDERAL	06 06	30	322			F

Reporting Period Total (Gas, Oil) : 931

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12