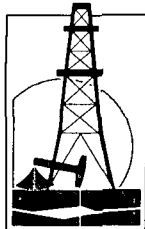


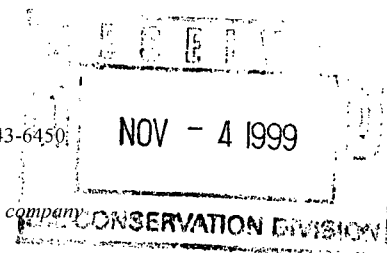
SD N/R



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., an American Stock Exchange company



November 2, 1999

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe New Mexico 87505

Re: Simultaneous Dedication
Cagle C No. 5 & Cagle C No. 4
SW/4 3-26S-37E
Lea County New Mexico
Jalmat Tansil-Yates-7 Rivers Gas Pool

Ladies and Gentlemen:

Please find enclosed a copy of the C-102 for the Gruy Petroleum Management Co. Cagle C No. 5 well, located in unit letter N of Section 3, Township 26 South, Range 37 East. The SW/4 of section 3 was previously approved as a non-standard proration unit in the Jalmat Gas Pool, by Administrative Order NSP-1642, dated January 9, 1992. The 160 acres is dedicated to Gruy's existing Cagle C No. 4 well, located in unit letter L of section 3, currently producing 15mcf/d.

Gruy Petroleum Management Co. requests administrative approval to simultaneously dedicate the Cagle C No. 4 well with the newly proposed Cagle C No. 5 well. We have requested waiver of objection from offset operators by certified mail, dated November 2, 1999. We are enclosing for your reference a schedule of offset operators and a plat showing the proration unit boundaries.

Your consideration in this matter is greatly appreciated. If additional information is needed, please feel free to call or write the undersigned at (972)-443-6489.

Sincerely,

Zeno Farris

Zeno Farris
Manager, Operations Administration

cc: Oil Conservation Division - Hobbs

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34450	Pool Code 79240	Pool Name Jalmat - Tansil - Yates - 7 Rivers
Property Code 22138	Property Name CAGLE "C"	Well Number 5
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 2999

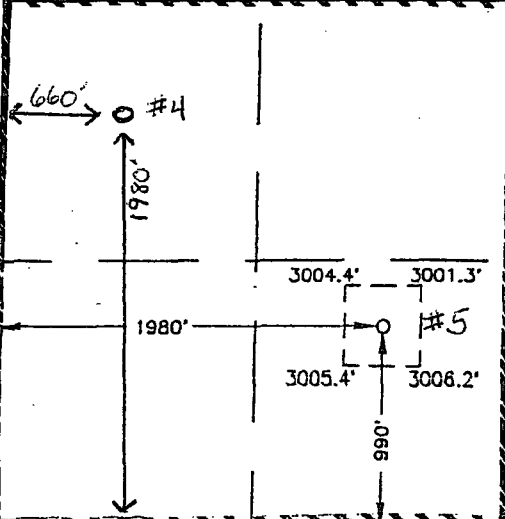
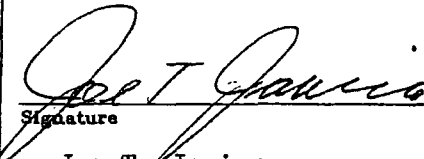
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	26 S	37 E		990	SOUTH	1980	WEST	LEA

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 160	Joint or Infill	Consolidation Code	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 the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 06/09/98 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 supervision, and that the same is true and correct to the best of my belief. MAY 26, 1998 Date Surveyed Signature of Surveyor Professional Surveyor NEW MEXICO 3239 68-1-078 5-28-98 State No. RONALD J. EIDSON 3239 12641 OSCAR MCDONALD 12185
--	--

List of Offset SPU's
GRUY PETROLEUM MANAGEMENT CO.
Cagle "C" No. 5
Jalmat Gas Pool

OFFSET SPU	COLOR CODE	Well Name	Location	OPERATOR	ACERAGE DESCRIPTION	ACRES
1	Red	Cagle C No. 1 Cagle C No. 3	D-3-26-37 D-3-26-37	Quantum Energies Co.	N/2 Sec. 3 T-26S-R-37E	320
2	Green	Cagle C No. 2 (P&A)	O-3-26-37	Gruy Pet. Management Co.	SE/4 Sec. 3 T-26S-R-37E	160
3	Blue	Open		Gruy Pet. Management Co.	NE/4 Sec. 10 T-26S-R-37E	160
4	Purple	Rhodes Federal Unit No. 102	M-10-26-37	Gruy Pet. Management Co.	NW/4 Sec. 10 T-26S-R-37E	160
5	Brown	Rhodes Federal Unit No. 95 Rhodes Federal Unit No. 96	G-9-26-37 H-9-26-37	Gruy Pet. Management Co. Gruy Pet. Management Co.	NE/4 Sec. 9 T-26S-R-37E	160
6	Lt. Blue	Rhodes Federal Unit No. 47	P-4-26-37	Gruy Pet. Management Co.	SE/4 Sec. 4 T-26S-R-37E	160
7	Lt. Green	No Gas Wells		Gruy Pet. Management Co.	NE/4 Sec. 4 T-26S-R-37E	160

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/22/99 08:46:25
OGOMES -TPSM
PAGE NO: 1

Sec : 03 Twp : 26S Rng : 37E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A			
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/22/99 08:46:29
OGOMES -TPSM
PAGE NO: 2

Sec : 03 Twp : 26S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned A	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned A	Federal owned	Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : ONGARD 11/22/99 08:46:35
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPSM

API Well No : 30 25 31324 Eff Date : 05-01-1997 WC Status : A
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
OGRID Idn : 162683 GRUY PETROLEUM MANAGEMENT CO.
Prop Idn : 22138 CAGLE C

Well No : 004
GL Elevation: 3005

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : L	3	26S	37E	FTG 1980	F S FTG	660 F W	A

Lot Identifier:
Dedicated Acre: 160.00
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 11/22/99 08:46:58
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPSM

OGRID Idn : 162683 API Well No: 30 25 34450 APD Status(A/C/P): A
Opr Name, Addr: GRUY PETROLEUM MANAGEMENT CO. Aprvl/Cncl Date : 07-07-1998
PO BOX 140907
IRVING, TX 75014-0907

Prop Idn: 22138 CAGLE C Well No: 5

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: N	3	26S	37E			FTG 990 F S	FTG 1980 F W
OCD U/L	: N		API County	: 25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 2999

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : Prpsd Frmtn : YATES 7 RIVERS

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

January 9, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Meridian Oil Inc.
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Connie L. Malik

Administrative Order NSP-1642

Dear Ms. Malik:

Reference is made to your application dated December 18, 1991 for a 160-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 3: SW/4

It is my understanding that this unit is to be dedicated to your C.C. Cagle "C" Well No. 4 to be drilled at a standard gas well location in Unit L of said Section 3.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 160 acres.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
U.S. BLM - Carlsbad