

OPERATOR'S COPY

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*

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

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

5 LEASE DESIGNATION AND SERIAL NO
NMLC 030176-A

6 IF INDIAN ALLOTTEE OR TRIBE NAME

7 UNIT AGREEMENT NAME
Rhodes Federal Unit

8 FARM OR LEASE NAME WELL NO.
Rhodes Federal Unit No. 98

9 API WELL NO

10. FIELD AND POOL OR WILDCAT
Rhodes; Yates-7 Rivers (Gas)

11 SEC T R M BLOCK AND SURVEY OR AREA
Section 9-T26S-R37E

12 COUNTY OR PARISH
Lea

13 STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 4 miles south of Jal, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drig unit line, if any)
660'

16. NO OF ACRES IN LEASE
160

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT
1422'

19. PROPOSED DEPTH
4000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF RT GR. etc.)
2980' GR

22. APPROX. DATE WORK WILL START
01-01-06

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

1b. TYPE OF WELL
OIL WELL GAS WELL SINGLE ZONE MULTIPLE ZONE

2 NAME OF OPERATOR
Gruy Petroleum Management Co

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
660' FNL & 1650' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 4 miles south of Jal, New Mexico

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PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	975' 1050' JSS	600 sx circ to surf
7 7/8"	J-55 5 1/2"	15.5#	4000'	1150 sx circ to surf

The proposed well will be drilled to a depth of 4000' and completed as a Rhodes; Yates-7 Rivers (Gas) producer. From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000 psi BOP system.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

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 *Zeno Farris* TITLE Mgr. Ops. Admin. DATE 09-02-05

(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 *Laura* TITLE Acting FIELD MANAGER DATE 10/12/05

*See Instructions 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.

APPROVAL FOR 1 YEAR

State of New Mexico

Energy Minerals and Natural Resources Department

DISTRICT I
1625 N. FRENCH DR. ROBBS, NM 86240

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 87605

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
Property Code	Property Name	Well Number
OCRID No.	Operator Name	Elevation
162683	GRUY PETROLEUM MANAGEMENT CO	2980'
Rhodes; Yates-7 Rivers (Gas)		
RHODES FEDERAL UNIT		
98		

Surface Location

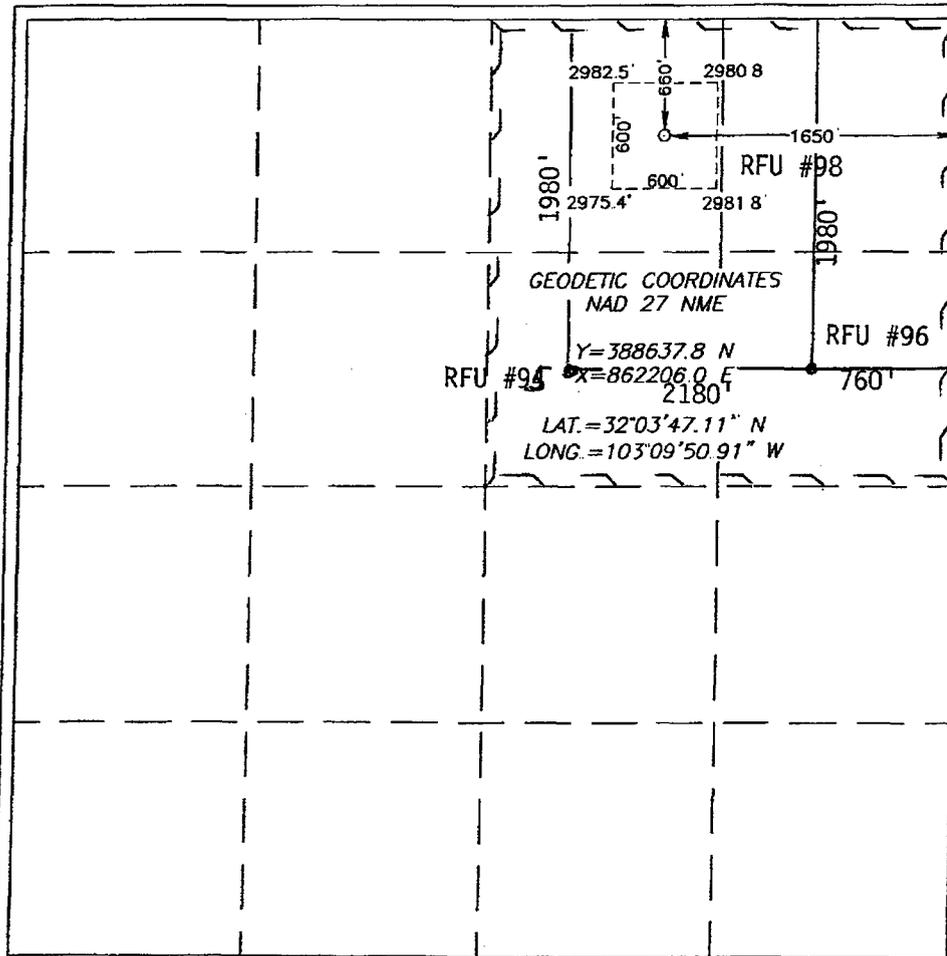
UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	26-S	37-E		660	NORTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UI 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.
160	Y	U	

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.

Zeno Farris
Signature

Zeno Farris
Printed Name

Mgr Operations Admin
Title

September 2, 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 supervision and that the same is true and correct to the best of my belief.

AUGUST 17, 2005
Date Surveyed

LA

Signature: *Gary Edson*
Professional Surveyor

GARY EDSON
Professional Surveyor
NEW MEXICO
8/22/05
05.11.257

Certificate No. GARY EDSON 12641