

UNITED STATES N.M. Oil Cons. DIV-Dist. 2  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
1301 W. Grand Avenue  
Alamogordo, 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**

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

JUN 24 2004

2. Name of Operator  
Gruy Petroleum Management Co.

OOD-ARTESIA

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

3b. Phone No. (include area code)  
972.401.3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1450' FSL & 965' FEL Sec 29 24S-26E

Lease Serial No.

LC -065347

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

White City Penn 29 Gas Com Unit 1 # 3

9. API Well No.

30-015-33316

10. Field and Pool, or Exploratory Area

White City; Penn (Gas)

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Set production casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

05-10-04 Ran 4-1/2" liner to 11650.' Set bottom of liner at 11649' and top of PBR at 7979.' Cemented 4-1/2" liner with 420 sx Super "H" cement + 1# Salt + 0.5% LAP-1 + 0.4% CFR-3 + 0.25# D-AIR-3000 + 0.35% HR-7 + 5# Gilsonite + 1/4# Flocele per sx. Mixed at 13.2 gallons with 1.6 ft.3/sx yield. Plugged down and bumped with 2750#. Circulated 97 sx of cement off top of liner.

05-13-04 Released rig to go to Estill AD Federal #2.

ACCEPTED FOR RECORD

JUN 22 2004

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

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

Natalie Krueger

Title

Production Assistant

Signature

Date

June 2, 2004

**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)

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

April 20, 2004 Thru May 13, 2004

### OPERATED

#### CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77291 WHITE CITY PENN 29 GCU 1 #3

EDDY, NM

Sec 29, T24S, R26E

W.I. Pct BCP 100.00 %

W.I. Pct ACP 100.00 %

Morrow / 13,000'

04/20/2004 Depth 8,504

Progress 4

AFE: 24106 Present Operation: Drlg

RU Bull Rogers Laydown Machine - PU & TIH with Bit # 6, Bit Sub & 4 3/4" DC's PU Kelly & torque up all subs - weld flow nipple to flow line & strap 115 jts. 3 1/2" DP PU & TIH with 3 1/2" DP - tagged up at 4,857' Drill cement, plug, cement & DV Tool from 4,857' to 4,868' Test BOP, well head, 7" casing & DV Tool to 2,000# for 15 mins. - OK PU & TIH with 3 1/2" DP - tagged up at 8,396' Drill cement, plug, cement & float collar, cement & shoe from 8,396' to 8,494' (DP Tally) & washed down 6' of open 8 3/4" hole to 8,500' Drill from 8,500' to 8,504' (back on formation at 10:00 PM (CDT) 4/19/2004) Test 10' of open hole from 8,494' to 8,504' with 750# pressure to 11.5 #/gal. EMW with 9.8# /gal. MW Trip out for new bit & BHA - LD bit sub & Bit # 6 6 1/8" Smith OFM open center jet serial number AF52683 in @ 8,500' out @ 8,504' cut 4' in 3/4 hr. condition T3 B6 in gauge TIH with Bit # 7, BHA, & 4 3/4" DC's Cut drilling line Continue TIH with 3 1/2" DP

04/21/2004 Depth 8,877

Progress 373

AFE: 24106 Present Operation: Drlg

TIH with Bit # 7 to 8,480' Wash & ream 24' to bottom from 8,480' to 8,504' - no fill Drill from 8,504' to 8,593' WLS @ 8,576' = 1o & replace packing in swivel Service rig Drill from 8,593' to 8,815' WLS @ 8,766' = 1 1/4o Drill from 8,815' to 8,877'

04/22/2004 Depth 9,345

Progress 468

AFE: 24106 Present Operation: Drlg

Drill from 8,877' to 8,942' Service rig Drill from 8,942' to 9,133' WLS @ 9,084' = 1o - Install rotating head rubber & drive bushings Drill from 9,133' to 9,345'

04/23/2004 Depth 9,679

Progress 334

AFE: 24106 Present Operation: Drlg

Drill from 9,345' to 9,421' Service rig Drill from 9,421' to 9,579' WLS @ 9,530' = 3o Drill from 9,579' to 9,679'

04/24/2004 Depth 9,954

Progress 275

AFE: 24106 Present Operation: Drlg

Drill from 9,679' to 9,707' WLS @ 9,690' = 1 3/4o Service rig Drill from 9,707' to 9,954'

04/25/2004 Depth 10,159

Progress 205

Wednesday, 2 June, 2004 WHITE CITY PENN 29 GCU 1 #3

AFE: 24106 Present Operation: Drlg

Drill from 9,954' to 9,993' Drop Totco @ 9,944' = 1 1/2o & trip out for bit - checked both IBS's & BHR for gauge - all OK - LD Bit # 7 6 1/8" Smith XR40YPS 3-13's serial # MT6239 in @ 8,504' out @ 9,993' cut 1,489' in 94 hrs. condition T2 B3 in gauge - function test BOP - OK TIH with Bit # 8, BHA & 4 3/4" DC's & 3 1/2" DP to 9,944' Wash 49' to bottom from 9,944' to 9,993' - no fill Service rig Drill from 9,993' to 10,159' - checked for flow on drilling break from 10,046' to 10,050' - well flowing - shut well in - no pressure build up - went to the steel pits - started mixing salt to bring MW up from 9.7# /gal. to 10 #/gal. at 10,067' & started mud up at 10,085' - while drilling with a 5' to 30' gas flare thru mud / gas separator BGG = 97 units - trip gas = 168 units - max. gas = 498 units - Lag = 58 mins. - show : gas kick @ 10,053' - 30' gas flare - move to the steel pits

04/26/2004 Depth 10,423  
Progress 264  
AFE: 24106 Present Operation: Drlg

Drill from 10,159' to 10,184' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 10,184' to 10,423' thru mud gas separator with a 5' to 20' gas flare

04/27/2004 Depth 10,619  
Progress 196  
AFE: 24106 Present Operation: Drlg

Drill from 10,423' to 10,470' thru mud gas separator with a 5' to 20' gas flare WLS @ 10,421' = 1o Drill from 10,470' to 10,475' thru mud gas separator with a 5' to 20' gas flare Rig repair on flow line - survey gas surged mud / gas separator & blew a hole in the flow line Service rig Drill from 10,475' to 10,619' thru mud gas separator with a 5' to 20' gas flare

04/28/2004 Depth 10,808  
Progress 189  
AFE: 24106 Present Operation: Drlg

Drill from 10,619' to 10,660' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 10,660' to 10,808' thru mud gas separator with a 5' to 20' gas flare

04/29/2004 Depth 10,870  
Progress 62  
AFE: 24106 Present Operation: Drlg

Drill from 10,808' to 10,812' thru mud gas separator with a 5' to 20' gas flare Drop Totco @ 10,770' = bad picture, slugged DP with 30 Bbls. 11.0#/gal. mud & tripped out for bit - checked both IBS's & BHR for gauge - LD bottom IBS - other IBS & BHR was OK - LD Bit # 8 6 1/8" Smith XR40YPS 3-14's serial # MT6294 in @ 9,993' out @ 10,812' cut 819' in 83 hrs. condition T 7 B 4 1/16" out of gauge TIH with Bit # 9, BHA, DC's & DP to 8,430' - installed rotating head rubber Cut drilling line & circulate out trip gas Continued TIH from 8,430' to 10,769' Washed & reamed 43' from 10,769' to 10,812' - bottoms up gas blew hole in flow line - repaired same Drill from 10,812' to 10,818' thru mud gas separator with a 5' to 20' gas flare WLS @ 10,769' = 1o Drill from 10,818' to 10,870' thru mud gas separator with a 5' to 20' gas flare BGG = 258 units - conn. gas = 0 units - max. gas = 567 units - Lag = 62 mins. - no shows Trip gas = 1,498 units with a 30' to 50' gas flare

04/30/2004 Depth 11,012  
Progress 142  
AFE: 24106 Present Operation: Drlg

Drill from 10,870' to 10,957' thru mud gas separator with a 5' to 20' gas flare Rig repair - replace bad flow line manifold where holes have been occurring Service rig Drill from 10,957' to 11,012' thru mud gas separator with a 5' to 20' gas flare

05/01/2004 Depth 11,178  
Progress 166  
AFE: 24106 Present Operation: Drlg

Drill from 11,012' to 11,073' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,073' to 11,178' thru mud gas separator with a 5' to 20' gas flare

05/02/2004 Depth 111,265  
Progress 87  
AFE: 24106 Present Operation: Drlg

Drill from 11,178' to 11,201' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,201' to 11,265' thru mud gas separator with a 5' to 20' gas flare

05/03/2004 Depth 11,285  
Progress 20  
AFE: 24106 Present Operation: Drlg

Drill from 11,265' to 11,269' thru mud gas separator with a 5' to 20' gas flare Drop Totco @ 11,247' = 1 1/4o, slugged DP with 30 Bbls. 11.5 #/gal. mud & tripped out for bit - checked IBS & BHR for gauge - LD IBS - BHR was OK - LD Bit # 9 6 1/8" Security XS47S 3-16's serial # 10556934 in @ 10,812' out @ 11,269' cut 457' in 81.25 hrs. condition T 4 B 8 1/16" out of gauge TIH with Bit # 10, BHA with new IBS, 4 3/4" DC's & 3 1/2" DP to 5,616' Shut down & circulate out gas at 5,616' Rig repair on transmission shifting system & chain Continued TIH to 11,136' - set down & stuck DP at 11,136' Worked DP loose in 15 mins. - washed & reamed 181' (tight hole at various depths) from 11,088' to 11,269' (probably due to new in gauge IBS) Drill from 11,269' to 11,285' thru mud gas separator with a 5' to 20' gas flare BGG = 240 units - conn. gas = 0 units - max. gas = 737 units - Lag = 65 mins. - no shows Trip gas = not recorded - by pass trap - 30' to 40' gas flare

05/04/2004 Depth 11,396  
Progress 111  
AFE: 24106 Present Operation: Drlg

Drill from 11,285' to 11,296' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,296' to 11,396' thru mud gas separator with a 5' to 20' gas flare

05/05/2004 Depth 11,479  
Progress 83  
AFE: 24106 Present Operation: Drlg

Drill from 11,396' to 11,423' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,423' to 11,479' thru mud gas separator with a 5' to 20' gas flare

05/06/2004 Depth 11,573  
Progress 94  
AFE: 24106 Present Operation: Drlg

Drill from 11,479' to 11,487' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,487' to 11,573' thru mud gas separator with a 5' to 20' gas flare Note: Drilling Break 11,516' to 11,520' - flow sensor pattern has changed & has been erratic since, indicating that we may have picked up more gas from that interval

05/07/2004 Depth 11,650  
Progress 77  
AFE: 24106 Present Operation: Circulating After Short Trip

Drill from 11,573' to 11,582' thru mud gas separator with a 5' to 20' gas flare Service rig Drill from 11,582' to 11,650' TD - reached TD of 6 1/8" hole at 12:15 AM (CDT) 5/7/2004 Circulate samples up for mud logger 10 stand short trip out to 10,675' - no drag - no problems Started mixing 210 Bbls. 13.3 #/gal. pill in pre-mix pit - well started flowing a 1/4" to 1" stream of mud TIH with 10 stands - no problems - no fill Circulate bottoms up & continue mixing 210 Bbls. 13.3 #/gal. pill in pre-mix pit - 30' to 40' gas flare in 30 mins. after start of circulation with a 30 Bbl. gain, then gradually died down to a 5' to 20' gas flare

05/08/2004 Depth 11,650  
Progress 0

Wednesday, 2 June, 2004

WHITE CITY PENN 29 GCU 1 #3

AFE: 24106 Present Operation: Running RFTs

Circulate thru mud gas separator with a 5' to 20' gas flare Trip out - chaining out with 16 stands & a single of DP placing bit at 10,071' Circulate bottoms up - 30' to 40' gas flare in 30 mins. after start of circulation - died down to 5' to 20' gas flare in a total of 60 mins. - spotted a 180 Bbl. pill of 13.3 #/gal mud from 10,071' to 5,065' - checked for flow - well is dead Trip out for open hole logs - no problems RU Halliburton & ran open hole logs - Logger's TD = 11,647' - Ran Spectral Density Dual Spaced Neutron Log, Dual Laterolog Micro Guard Log & Full Wave Sonic Monitor Log - Running Sequential Formation Tester - no problems - well is dead

05/09/2004 Depth 11,650  
Progress 0  
AFE: 24106 Present Operation: Running 4-1/2" Liner

Run Sequential Formation Tester - RD Halliburton TIH with Bit # 10 (no jets), bit sub with float installed, DC's & DP slowly to 3,000' Break circulation & circulate out gas @ 3,000' TIH slowly to 6,000' Break circulation & circulate out gas @ 6,000' TIH slowly to 9,000' Break circulation & circulate out gas @ 9,000' TIH slowly to 11,618' Break circulation & wash down from 11,618' to 11,650' TD - no fill - circulate out gas & condition mud Slug DP, drop rabbit with 100' of wire line attached & trip out to run 4 1/2" liner Rig repair on low gear chain Continue POOH to run 4 1/2" liner - found rabbit in 7th stand of DC's above bit RU Bull Rogers casing crew & lay down machine - running 4 1/2" liner (See Casing Detail)

05/10/2004 Depth 11,650  
Progress 0  
AFE: 24106 Present Operation: Circulating Well on Choke

Ran 4 1/2" liner (See Casing Detail) - RD casing crew & lay down machine TIH with 4 1/2" liner on 3 1/2" DP - 2 1/2 mins. per stand, filling DP every 15 stands PU TIW manifold & RU Halliburton - washed down & tagged TD @ 11,650' - no fill Circulated to clear liner & bottoms up - dropped ball Set bottom of liner at 11,649' & top of PBR at 7,979' - got off liner & set back down Halliburton cemented 4 1/2" liner with 420 sx Super "H" Cement + 1# salt + 0.5% LAP-1 + 0.4% CFR-3 + 0.25# D-AIR- 3000 + 0.35% HR-7 + 5# Gilsonite + 1/4# Flocele per sx - mixed at 13.2 #/gal. - with a 1.60 ft.3 / sx yield - 3 hrs. 55 mins. pump time - plug down & bumped with 2,750# at 7:28 PM (CDT) 5/9/2004 Set liner packer - pulled up 10' above PBR & reversed out entire well with 310 Bbls. fresh water - circulated 97 sx of cement off top of liner - RD Halliburton & TIW manifold - well dead RU power tongs & LD machine - POOH LD 217 jts. 3 1/2" DP - well started flowing - shut in well with 32 jts. 3 1/2" DP & TIW Liner Setting Tool in the well - bottom of tool @ 1,051' Circulate out gas with 10.3 #/gal. mud with 300# held on choke at 1,051' - 5' to 20' gas flare

05/11/2004 Depth 11,650  
Progress 0  
AFE: 24106 Present Operation: Drlg Cmt

Circulate out gas on choke holding 300# back pressure - fork lift put 3 1/2" DP back on racks Service rig Install rotating head rubber & inside BOP - stripped in the hole with 14 stands - 4 3/4" DC's & 24 stands DP RU lay down machine - PU & continue stripping in the hole with 97 1/2 jts. 3 1/2" DP - tagged up at 7,692' Picked up & attempted to circulate at 7,676' - DP plugged - went to 2,800# several times - no success Chain out of hole with wet string - tried to circulate again with 6 stands DC's out when well kicked again - no success Worked to release trapped pressure on inside BOP - released pressure with special built tool Continued chaining out of hole with wet string - LD TIW Liner Setting Tool - bottom of stinger bent in & plugged with cement - the 10 - 1/2" brass shear pins did not shear - thus the liner packer did not set - takes 50,000# set down weight to shear the pins TIH with Bit # 10 (no jets), bit sub with float installed, DC's & 3 1/2" DP stripping thru rotating head rubber to 7,578' Washed down from 7,578' to 7,628' & drilled hard cement from 7,628' to 7,882' (report time depth) - appears to be 351' of cement on top of liner - 5' to 20' gas flare

05/12/2004 Depth 11,650  
Progress 0  
AFE: 24106 Present Operation: POOH LD 3-1/2" DP

Drilled hard cement from 7,882' to 7,980' (DP Tally) - dressed off top of 4 1/2" liner at 7,980'  
 Circulate out gas - gas has increased since dressing off liner top - 10' to 25' gas flare Test 4 1/2" liner top to 2,450#  
 with rig pump - can not pump in - set down on liner top with bit with 100,000# - no movement - PU to 10,000# &  
 dropped to 80,000# 5 times - no movement in an attempt to set the 4 1/2" TIW Liner Packer Circulate out gas - gas  
 has decreased since attempting to set liner packer - 5' to 20' gas flare Trip out of hole to run 7" RBP PU & TIH with  
 a 7" Halliburton Mod. 3L Packer Type RBP on DC's & DP - set top of RBP at 7,598' - bottom of RBP at 7,606' (DP  
 tally) Circulate bottoms up from 7,583' - 10' to 30' gas flare - down to no flare - well is dead Displace mud from  
 well at 7,583' with 10 #/gal. brine water from center reserve pit - well is dead RU Bull Rogers Lay Down Machine -  
 POOH LD 3 1/2" DP

05/13/2004

Depth 11,650

Progress 0

AFE: 24106

Present Operation: Released Rig

POOH LD DP, DC's, kelly & rental tools - loaded out all rental Weatherford items - RD LD machine  
 Change pipe rams in BOP from 3 1/2" to 4 1/2", ND & LD BOP, made final cut on 7" casing, installed  
 an 11" 5,000# X 7 1/16" 5,000# tubing head & tested head to 4,500# - OK - jetted & cleaned steel  
 pits. Released Patterson-UTI Rig # 75 @ 10:00 PM (CDT) 5/12/2003 to go to the Estill "AD" Federal #  
 2 - Rig will move Saturday 5/15/2004 RD Rig