

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

2. Name of Operator
Gruy Petroleum Management Co.

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)
SHL 2495' FNL & 1415' FWL Sec 7G 24S-26E
BHL 1200' FNL & 900' FEL Sec 7A 24S 26E

5. Lease Serial No.

NM-15295

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

C K 7 Federal No. 1

9. API Well No.

30-015-33420

10. Field and Pool, or Exploratory Area

White City; Penn Undesignated

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 surface and intermediate 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.)

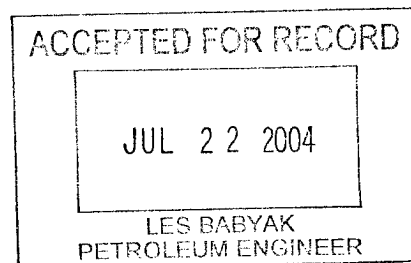
06-05-04 Spud well at 5AM. Ran 10 jts of 13.375"/54.5#/J/STC casing to 403.' WOC 19.25 hours.

06-06-04 Cemented with 340 sx Premium Plus lead and 150 sx Premium Neat tail. Circulated 221 sx cement to cuttings pit.

06-11-04 Ran 50 jts of 9.625"/J&NS/40#/LTC&STC casing to 1899.' Had no returns during job.

06-12-04 Temperature survey showed TOC at 1270.' WOC 52.25 hours.

Please see attached drilling report.



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

Natalie Krueger

Title

Production Assistant

Signature

Date

July 19, 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.

Well History

June 3, 2004 Thru July 17, 2004

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77239 C & K 7 FED #1 30-015-33420

EDDY, NM

7-T24S-R26E, NE/4

W.I. Pct BCP 29.93 %

W.I. Pct ACP 29.93 %

Morrow / 12,400'

06/07/2004

Depth 1,057

Progress 622

AFE: 24028

Present Operation: Dry Drilling

Drilling from 435' - 732' with 45K WOB and 60 RPM. Wireline Survey at 681' - 1.25 degrees. Drilling from 732' - 971' with 40K WOB and 60 RPM. Wireline Survey at 894' - One degree. Lost returns at 971' when sitting bit back on bottom. Pump LCM pill. Drilling from 971' - 988' with no returns. Rig repairs - Replace valve between pumps and popoff valve on # 1 pump. Dry drilling from 988' - 1057' with 50K WOB and 60 RPM.

06/08/2004

Depth 1,421

Progress 364

AFE: 24028

Present Operation: Assemble Pump #1

Dry drilling from 1057' - 1421' with 35 - 40K WOB and 60 RPM. Standpipe pressure started coming up from 1400 psi to 2000 psi at 70 SPM. Bit became plugged completely. No circulation in last 7 hrs. Trip out of hole and found bit and bottom DC plugged up with drill cuttings. Clean out suction pit and drill string of drill cuttings. Trip in hole to 1330'. Fill pipe and start washing to bottom when bit started plugging off again. Attempt to unplug with no success. Trip out of hole. Cuttings were up to shock sub in drillstring. Jet and clean pits. Centrifuge had been down most of last 24 hours while drilling with circulation. Repairs had been made earlier in the day. Water trucks dumping directly into suction pit may have caused cuttings to enter drillstring. Found rubber plug pieces inside pump # 1 from surface cement job. Teardown pump suction and remove.

06/09/2004

Depth 1,494

Progress 73

AFE: 24028

Present Operation: Dry Drilling

Work on pumps. Removed rubber from under valves Pick up kelly and pump through both pumps. Trip in hole with drillstring. Circulate with pump # 1. Put pump # 2 on hole and bit plugged again. Trip out of hole with plugged bit. Jet and clean suction pit. Pump through kelly with both pumps at 125 spm. Change swabs on both pumps. Trip in hole to 1383'. Wash to bottom at 1421' and circulate through pumps. Dry drilling from 1421' - 1452' with 50K WOB and 60 RPM. Work on pumps. Dry drilling from 1452' - 1464' with 50K WOB and 60 RPM. Wait on water in pits. Dry drilling from 1464' - 1494' with 50K WOB and 60 RPM.

06/10/2004

Depth 1,821

Progress 327

AFE: 24028

Present Operation: Dry Drlg

Dry drilling from 1494' - 1645' with 50K WOB and 60 RPM. Rig Service. Dry drilling from 1645' - 1712' with 50K WOB and 60 RPM. Wait on water. DOT checkpoint holding up all commercial traffic in area up to 4 hours. Wireline survey at 1694' - .5 degrees. Dry drilling from 1712' - 1821' with 50K WOB and 60 RPM. Had drilling break at 1819' with great deal of torque. Rotary stopped and driller attempted to pick up drillstring. String was stuck on bottom. Work stuck pipe at 1821'. Work free off bottom and pick up when drillstring became plugged

C & K 7 FED #1

30-015-33420

off. Trip out of hole to unplug bit. Bit, DC, RMR,DC, and IBS plugged with clay cuttings and packed tight. Unable to unplug DC's. Lay down DC's and make up bit with one nozzle out. Trip in hole to 1700'. Kelly up to wash to bottom and drillstring became plugged off again. Trip out of hole to unplug bit. Clean out bottom DC, trip in hole to 1702' and wash to bottom. Dry drilling on bottom at 0500 hrs.

06/11/2004 Depth 1,899
 Progress 78
 AFE: 24028 Present Operation: Wait on Temperature Survey

Drilling from 1821' - 1824' with 40K WOB and 65 RPM. Work stuck pipe. Build high visc sweep and pump. Work pipe loose and rotate. Drilling from 1824' - 1867' with 45K WOB and 65 RPM. Rig Service. Drilling from 1867' - 1899' with 45K WOB and 65 RPM. TD intermediate hole. Pump sweep and spot on bottom. Trip out of hole for casing. Broke snub line on tight tool joints. Repair and break each connection. Laydown 8" DC. Rig up casers and run 50 joints of 9.625" / J&NS / 40 / LTC&STC casing to 1899'. Rig up Halliburton and cement with 500 sx of Interfill C and 200 sx of Premium Plus. Displace with FW and bump plug. Had no returns during job and was told by BLM to WOC 6 hrs and run temperature survey. Wait on cement to set. Nippled down BOP and begin cleaning steel pits.

06/12/2004 Depth 1,914
 Progress 0
 AFE: 24028 Present Operation: WOC & WH Tech

Wait on cement to set for temperature survey. Survey crew was late waiting on tools from Hobbs. Temperature survey showed TOC at 1270'. Run one inch to 950' and cement with 150 sx of "C" with 3% Cacl2. Pull one inch and wait on cement. Run one inch to 950' and cement with 100 sx of "C" with 3% Cacl2 on second plug. Pull one inch and wait on cement. Run one inch and tag at 346'. Cement with 100 sx of "C" with 3% Cacl2 on third plug. Pull one inch and wait on cement. Run one inch to 346' and cement with 100 sx of "C" with 3% Cacl2 on fourth plug. Pull one inch and wait on cement. Run one inch to 346' and cement with 50 sx of "C" with 3% Cacl2 on fifth plug. Pull one inch and wait on cement. Tag cement at 180' and cement with 50 sx of "C" with 3% Cacl2 on sixth plug. Circulate 20 sx to pit. Wait on cement. Clean out BOP stack.