

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATES

(See other instructions on reverse side)

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

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. REVR. ☐ Other _____

RECEIVED

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

DEC - 8 2004

OCT-ARTESIA

3. ADDRESS AND TELEPHONE NO.

P O Box 140907 Irving Tx. 75014-0907

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1060' FSL & 1025' FEL

At top prod. interval reported below 1060' FSL & 1025' FEL

At total depth 1060' FSL & 1025' FEL

14. PERMIT NO.

DATE ISSUED

5. LEASE DESIGNATION AND SERIAL NO.

LC 065457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

J M Gates Federal NCT 1 # 2

9. API WELL NO.

30-015-33387

10. FIELD AND POOL, OR WILDCAT

White City; Penn (Gas)

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

Sec 30 T-24S- R-26E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUDDED

7-07-04

16. DATE T.D. REACHED

8-08-04

17. DATE COMPL. (Ready to prod.)

10-13-04

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3,472' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

11,865'

21. PLUG, BACK T.D., MD & TVD

11,794'

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

All

CABLE TOOLS

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

White City; Penn 10148' - 11188'

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

DSN, DLL, CBL

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
9 5/8" NS-110	40 #	350'	17-1/2"	700sx PremPlus Interfill C TOC 164	
9-5/8" NS-110	40 #	1,575'	12 1/4"	1" 238 sx C to surface	
5 1/2"	26#	11,848'	8-3/4"	2275sx SuperH & Interfill TOC 2920	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	10750'	10750'

31. PERFORATION RECORD (Interval, size and number)

11,169' - 11,188' 6 SPF Through Tubing

10,887 - 11,032' 6 SPF Through Tubing

10,148' - 10,160' 6 SPF Up Casing

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11,169' - 11,188'	1000 7 1/2% NEFE HCL 68048 gal CO2 34100# 18/40 vsp
10,887' - 11,032'	1000 7 1/2% HCL 18850 gal CO2 31000# 18/40 vsp
10,148' - 10,160'	2500 gals 15% Fe HCL & 100 RCNBS

33. PRODUCTION

DATE FIRST PRODUCTION 10-22-04		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing				WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 11-02-04	HOURS TESTED 24	CHOKE SIZE 25/64	PROD'N. FOR TEST PERIOD →	OIL—BBL. -0-	GAS—MCF. 3809	WATER—BBL. -0-	GAS-OIL RATIO NA
ACCEPTED FOR RECORD							
FLOW. TUBING PRESS. 1400	CASING PRESSURE 800	CALCULATED 24-HOUR RATE →	OIL—BBL. -0-	GAS—MCF. 3809	WATER—BBL. -0-	OIL GRAVITY-API (CORR.) NA	

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

Sold

35. LIST OF ATTACHMENTS

NM C-122, Electric logs and Inclination Summary

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

SIGNED

Zero Farris

TITLE

Manager, Operations Admin

DATE

11-29-2004

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

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.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Wolfcamp	8226"	8226'
				Cisco	9356'	9356'
				Canyon	9732'	9732'
				Strawn	9844'	9844'
				Atoka	10436'	10436'
				Morrow	10726'	10726'

38.

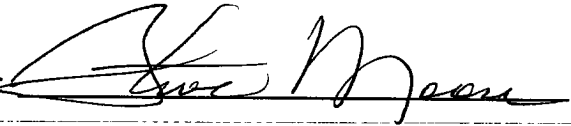
GEOLOGIC MARKERS

OPERATOR: GRUY PETROLEUM
WELL/LEASE: JM GATES FED NCT 1 #2
COUNTY: EDDY, NM

075-0029

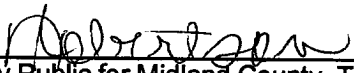
STATE OF NEW MEXICO
DEVIATION REPORT

135	3/4	8,494	1
315	1 1/4	8,998	1
397	1	9,530	3
453	1	9,593	1/2
605	1 1/2	9,601	2 3/4
745	1 1/2	9,663	2
835	1	9,724	2
931	1	9,848	1
1,026	1	10,546	2
1,120	1/2	10,831	3
1,216	1/2	10,974	3
1,342	1	11,021	2
1,468	1	11,465	5
1,569	1 1/4	11,595	5 1/2
1,585	1	11,865	5 1/2
1,889	1/2		
2,339	1		
2,639	1/2		
3,086	1/2		
3,307	1/2		
3,812	1		
4,286	1		
4,785	1		
5,266	1/2		
5,741	1		
6,278	1/2		
6,572	3/4		
7,068	1		
7,544	1		
8,050	1		

By: 

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 24th day of August, 2004, by Steve Moore on behalf of Patterson-UTi Drilling Company LP, LLLP.


Notary Public for Midland County, Texas

My Commission Expires: 8/23/2007



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

Submit in duplicate to
appropriate district office.
See Rule 401 & Rule 1122

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED Form C-122
Revised October, 1999

DEC - 8 2004

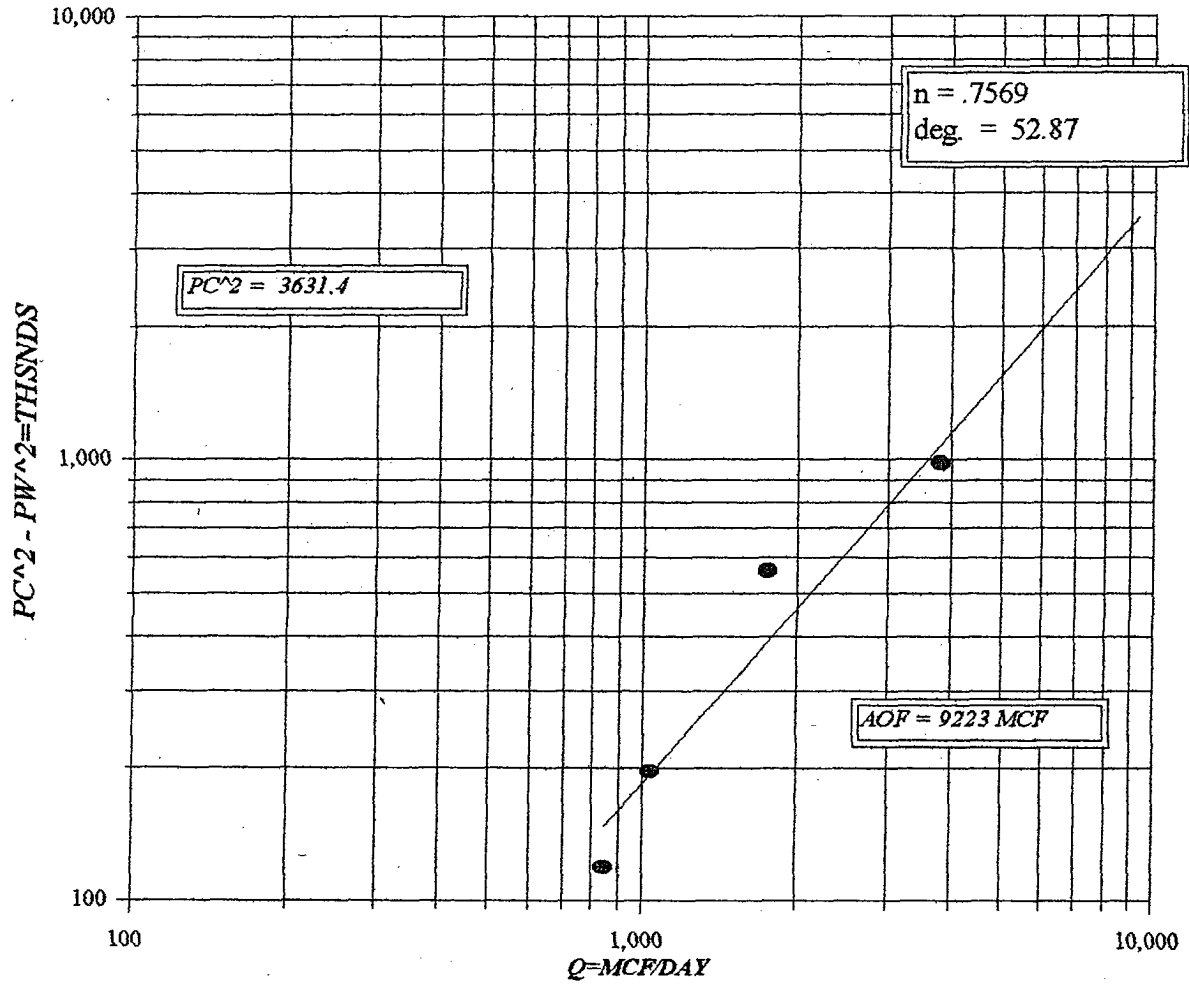
OCU-ARTESIA

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator GRUY PETROLEUM					Lease or Unit Name J.M. GATES I				
Type Test ☒ Initial ☐ Annual ☐ Special					Test Date 11-02-04		Well No. 2		
Completion Date		Total Depth 11865		Plug Back TD 11794		Elevation		Unit Ltr - Sec - TWP - Rge	
Csg. Size 5 1/2	Wt. 17#	d 4.615	Set At 11857	Perforations: From: 10887 To: 11188			County EDDY		
Tbg. Size 2 7/8	Wt. 6.5	d 2.441	Set At 10782	Perforations: From: To:			Pool		
Type Well-Single-Bradenhead-G.G. or G.O. Multiple SINGLE				Packer Set At 10782			Formation MORROW		
Producing Thru TBG		Reservoir Temp. °F 163.6 @ 10782		Mean Annual Temp. °F 60		Baro. Press. P _a 13.2		Connection	
L 10782	H 10782	Gg 0.59	%CO ₂ 1.299	%N ₂ 0.423	%H ₂ S N/A	Prover N/A	Meter Run 4.026	Taps FLG	
FLOW DATA					TUBING DATA			CASING DATA	
No.	Prover Line Size	Orifice x Size	Press p.s.i.g.	Diff. h _w	Temp. °F	Press p.s.i.g.	Temp. °F	Press p.s.i.g.	Temp. °F
SI						1866		PKR	
1	4	X 2.000	480	2	58	1832		"	
2	4	X 2.000	480	2.9	48	1810		"	
3	4	X 2.000	490	8.4	58	1701		"	
4	4	X 2.000	536	36	55	1536		"	
5									
RATE OF FLOW CALCULATIONS									
No.	COEFFICIENT (24 Hour)		$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress Factor F _{pv}	Rate of Flow Q. Mcfd	
1	19.81		31.41	493.2	1.002	1.302	1.043	847	
2	19.81		37.82	493.2	1.012	1.302	1.048	1,035	
3	19.81		65.01	503.2	1.002	1.302	1.044	1,754	
4	19.81		140.61	549.2	1.005	1.302	1.045	3,809	
5									
No.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio DRY GAS Mcf bbl.				
1	0.72	518	1.46	0.92	A.P. I. Gravity of Liquid Hydrocarbons DRY Deg.				
2	0.72	508	1.43	0.911	Specific Gravity Separator Gas 0.59 XXXXXXXX				
3	0.74	518	1.46	0.918	Specific Gravity Flowing Fluid XXXXXX N/A				
4	0.76	515	1.45	0.915	Critical Pressure * 676 P.S.I.A. N/A P.S.I.A.				
5					Critical Temperature * 353 R N/A R				
P _c 1879.2 P _w 3531.4									
No.	P _t ²	P _w	P _w ²	P _c ² - P _w ²	(1) $P_c^2 = \frac{17.994}{P_c^2 - P_w^2}$ AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 9.223$ 79825 (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 8.913$				
1		1847.2	3412.2	119.2					
2		1826.2	3335.1	196.3					
3		1723.5	2970.4	561					
4		1597.4	2551.8	979.6					
5									
Absolute Open Flow 9.223 Mcfd @ 15.025					Angle of Slope (°): 52.87		Slope n: 0.7569		
Remarks: * Corrected to 1.299 % CO ₂ --No fluid produced									
Approved By Division:			Conducted By: ProWell Testing & Wire Line		Calculated By: BM		Checked By: BM		

GRUY PETROLEUM

J.M. GATES 1 # 2





Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Pro Well Testing & Wireline
P.O. Box 791
Hobbs, New Mexico 88241

SAMPLE: IDENTIFICATION J.M. Gates 1- #2
COMPANY: Gruy Petroleum
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 11/2/04
ANALYSIS DATE: 11/3/04
PRESSURE - PSIG 500
SAMPLE TEMP. °F 30
ATMOS. TEMP. °F 37

GAS (XX) LIQUID ()
SAMPLED BY: Glen/Pro Well
ANALYSIS BY: Vickie Biggs

REMARKS:

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.423	
Carbon Dioxide (CO2)	1.299	
Methane (C1)	96.052	
Ethane (C2)	1.410	0.376
Propane (C3)	0.213	0.059
I-Butane (IC4)	0.040	0.013
N-Butane (NC4)	0.058	0.018
I-Pentane (IC5)	0.051	0.019
N-Pentane (NC5)	0.040	0.014
Hexane Plus (C6+)	<u>0.414</u>	<u>0.180</u>
	100.000	0.679

BTU/CU.FT. - DRY 1027
AT 14.650 DRY 1024
AT 14.650 WET 1006
AT 14.73 DRY 1029
AT 14.73 WET 1012

MOLECULAR WT. 17.1204

SPECIFIC GRAVITY -
CALCULATED 0.590
MEASURED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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 30-015-33387	Pool Code	Pool Name White City Penn (Gas)
Property Code	Property Name J M GATES FEDERAL NCT-1	Well Number 2
GRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3472'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 S	26 E		1060	SOUTH	1025	EAST	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 640	Joint or Infill Y	Consolidation Code C	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. <u>Zeno Farris</u> Signature Zeno Farris Printed Name Manager Operations Admin Title November 29, 2004 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. FEBRUARY 10, 2004 Date Surveyed Signature & Seal of Professional Surveyor Gary Edson 04.11.0004 Certificate No. GARY EDSON 12841