

OCD-ARTESIA

Form 5160-4
(October 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

NM-100331

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Colton 7 Federal No. 1

9. API WELL NO.

30-015-33101 0051

10. FIELD AND POOL, OR WILDCAT

Burton Flat; Morrow

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

Sec. 7-T21S-R27E

12. COUNTY OR PARISH
Eddy13. STATE
NM

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 ☐

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

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 1250' FNL & 2170' FWL

At top prod. interval reported below 1247' FNL & 1767' FWL

At total depth 1245' FNL & 1681' FWL

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

07-14-05

16. DATE T.D. REACHED

08-24-05

17. DATE COMPL. (Ready to prod.)

10-11-05

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

3199' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

MD 11550' TVD 11521'

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

MD 11450' TVD 11422'

22. IF MULTIPLE COMPL., HOW MANY*

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

Burton Flat; Morrow MD 11238' - 11371'

Burton Flat; Morrow TVD 11211' - 11343'

26. TYPE ELECTRIC AND OTHER LOGS RUN

Dual Spaced Neutron, DLL Microguard, Cement Bond Log

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
13-3/8" H-40	48 #	647'	17-1/2"	850sx Thix Prem/Prem Plus circ 13sx	
9-5/8" J-55	40 #	2457'	12-1/4"	2600sx Thix/IntC/Prem circ 25sx	
5-1/2" P-110	17#	11549'	8-3/4"	2330sx IntH/SupH/IntC/Prem Neat	
				TOC 1400'	

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"	11173'	11173'

31. PERFORATION RECORD (Interval, size and number)

11361' - 11371' 6 SPF 66 Holes

11238' - 11311' 6 SPF 156 Holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11361' - 11371'	23000gal foam CO2/Methanol 195000# 18/40 VProp
11238' - 11311'	100000gal foam CO2/Methanol 73200# 18/40 VProp

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
12-06-05		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12-18-05	24	open	→	3	1832	98	610666
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
500	80	→	3	1832	98		

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

Sold

35. LIST OF ATTACHMENTS

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

Watah Kueger

TITLE

Reg Tech

ACCEPTED FOR RECORD

DAVID R. GLASS

JAN 23 2006

DAVID R. GLASS

DATE 01-06-05

*(See Instructions and Spaces for Additional Data 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.

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):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Yates	519	
				Capitan	957	
				Cherry Canyon	2586	
				Brushy Canyon	3381	
				Bone Spring	4730	
				Wolfcamp	8691	
				Cisco	9697	
				Strawn	9997	
				Atoka	10462	
				Morrow	10896	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

Energy, Minerals, and Natural Resources Department

Revised August 15, 2000

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

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

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33101	² Pool Code 73280	³ Pool Name Burton Flat Morrow
⁴ Property Code	⁵ Property Name Colton 7 Federal Com No. 1	⁶ Well Number 1
⁷ OGEID No. 162683	⁸ Operator Name Gruy Petroleum Management Co.	⁹ Elevation 3199'

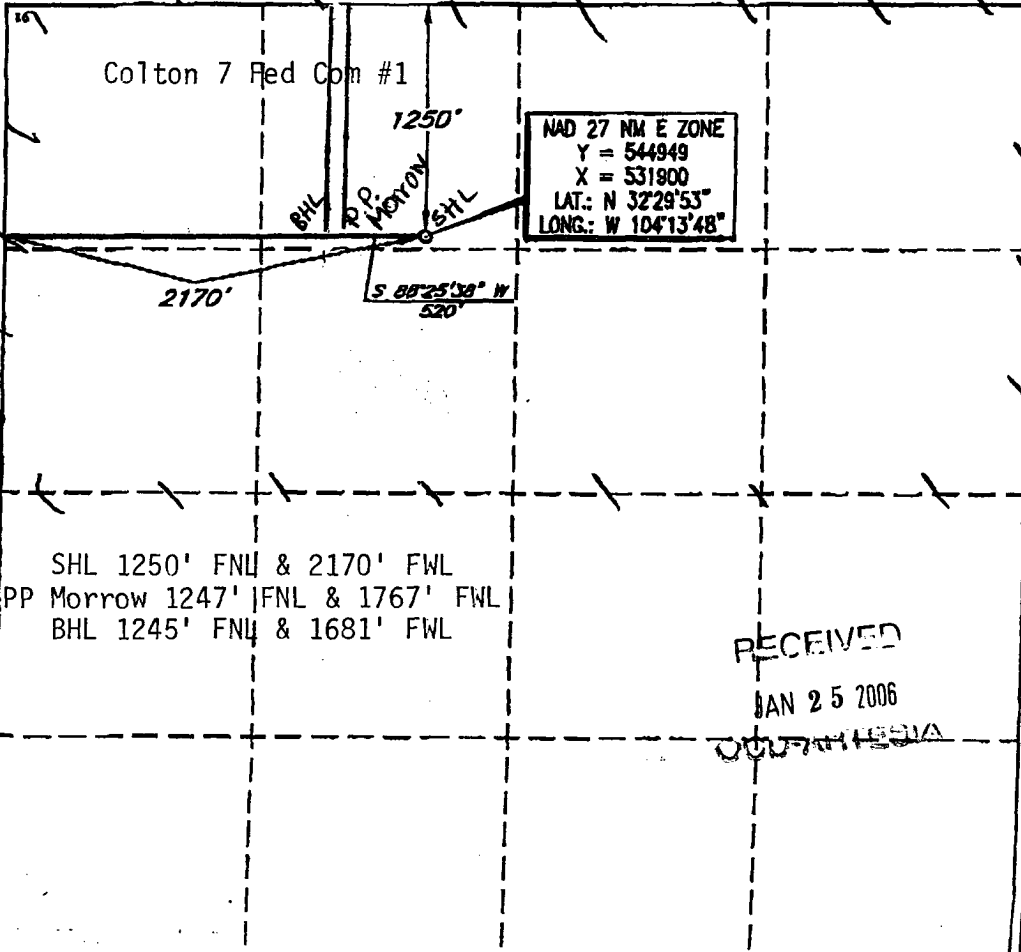
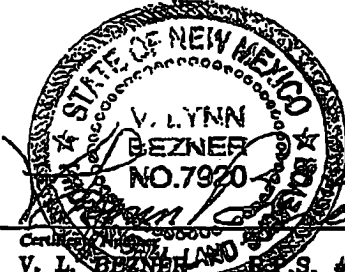
Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	7	21 SOUTH	27 EAST, N.M.P.M.		1250'	NORTH	2170'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	7	21 SOUTH	27 EAST, N.M.P.M.		1245'	NORTH	1681'	WEST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code C	¹⁵ Order No.						

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 Colton 7 Fed Com #1 NAD 27 NM E ZONE Y = 544949 X = 531800 LAT.: N 32°29'53" LONG.: W 104°13'48" S 88°25'38" W 520' SHL 1250' FNL & 2170' FWL PP Morrow 1247' FNL & 1767' FWL BHL 1245' FNL & 1681' FWL RECEIVED JAN 25 2006 COUNTY CLERK	"OPERATOR CERTIFICATION" I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Zeno Farris</i> Signature Zeno Farris Printed Name Mgr Operations Admin. Title January 6, 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. SEPTEMBER 18, 2003 Date of Survey Signature and Seal of Professional Surveyor  V. LYNN BEZNER NO. 7920 S. #7920 JOB #90274 7 49 NW / J.C.P.
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End of Well Report

Colton 7 Federal #1

Gruy Petroleum Management Company

8/27/2005

HALLIBURTON

9800 W RENO • OKLA CITY, OK 73127
PHONE 405 324 2222 • FAX 405 324 1009

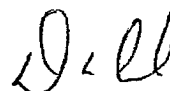
September 01, 2005

Re: Gruy Petroleum Management Co
Colton 7 Federal #1
Sec 07-I21S-R27E
Eddy County, New Mexico

Enclosed please find the original and one copy of the surveys performed on the referenced well by Halliburton/Sperry Drilling Services.

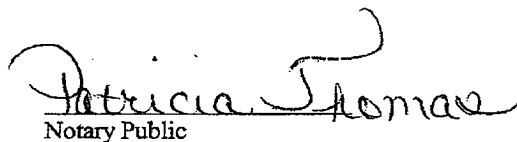
<u>Name & Title of Supervisor</u>	<u>Drainhole Number</u>	<u>Surveyed Depths</u>	<u>Dates Performed</u>	<u>Type of Survey</u>
Dennis Cook Field Supervisor	Original	8,459' – 11,388'	08/08/05 – 08/23/05	MWD
Dennis Cook Field Supervisor	Projection to TD	11,388' – 11,451'		MWD

If any other information is required, please contact the undersigned at the letterhead address and phone number

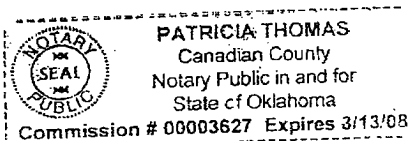


Dennis Cook
Field Supervisor

My Commission Expires: March 13, 2008



Notary Public





**Gruy Petroleum Management Co.
New Mexico
Eddy County
Sec.07-T21S-R27E
Colton 7 Federal #1 - MWD Survey**

Halliburton Sperry-Drilling Survey Report

27 August, 2005

Surface Coordinates: 544949.00 N, 531900.00 E (32° 29' 53.2783" N, 104° 13' 47.5143" W)
Grid Coordinate System: NAD27 New Mexico State Planes, Eastern Zone

Surface Coordinates relative to Center of County: 663.76 S, 31900.00 E (Grid)
Surface Coordinates relative to NW Cor of Sec 7: 1250.00 S, 2170.00 E (Grid)
Kelly Bushing Elevation: 3219.00ft above Mean Sea Level
Kelly Bushing Elevation: 3219.00ft above Structure

Survey Ref: svy9172

HALLIBURTON
Sperry Drilling Services

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates		Global Coordinates		Dogleg Rate (°/100ft)	Vertical Section	Comment
					Northings (ft)	Eastings (ft)	Northings (ft)	Eastings (ft)			

Gyro Survey

0.00	0.000	0.000	-3219.00	0.00	0.00 N	0.00 E	544949.00 N	531900.00 E	0.21	0.00	
100.00	0.210	151.330	-3119.00	100.00	0.16 S	0.09 E	544948.84 N	531900.09 E	0.21	-0.09	
200.00	0.240	151.810	-3019.00	200.00	0.51 S	0.27 E	544948.49 N	531900.27 E	0.03	-0.27	
300.00	0.900	161.540	-2919.01	299.99	1.44 S	0.62 E	544947.56 N	531900.62 E	0.66	-0.62	
400.00	1.010	170.990	-2819.02	399.98	3.05 S	1.01 E	544945.95 N	531901.01 E	0.19	-1.01	
500.00	0.800	168.380	-2719.03	499.97	4.61 S	1.29 E	544944.39 N	531901.29 E	0.21	-1.29	
600.00	0.730	168.580	-2619.04	599.96	5.91 S	1.56 E	544943.09 N	531901.56 E	0.07	-1.56	
700.00	0.550	182.140	-2519.05	699.95	7.02 S	1.66 E	544941.98 N	531901.66 E	0.23	-1.66	
800.00	0.710	185.190	-2419.05	799.95	8.11 S	1.59 E	544940.89 N	531901.59 E	0.16	-1.59	
900.00	0.840	178.760	-2319.06	899.94	9.46 S	1.55 E	544939.54 N	531901.55 E	0.16	-1.55	
1000.00	1.030	188.680	-2219.08	999.92	11.09 S	1.43 E	544937.91 N	531901.43 E	0.25	-1.43	
1100.00	1.030	197.960	-2119.09	1099.91	12.63 S	1.02 E	544936.17 N	531901.02 E	0.17	-1.02	
1200.00	1.010	207.830	-2019.11	1199.89	14.46 S	0.33 E	544934.54 N	531900.33 E	0.18	-0.33	
1300.00	1.170	206.710	-1919.13	1299.87	16.15 S	0.54 W	544932.85 N	531899.46 E	0.16	0.54	
1400.00	1.240	218.210	-1819.15	1399.85	17.92 S	1.67 W	544931.08 N	531898.33 E	0.25	1.67	
1500.00	1.530	225.170	-1719.18	1499.82	19.71 S	3.29 W	544929.29 N	531896.71 E	0.33	3.29	
1600.00	1.720	225.790	-1619.22	1599.78	21.70 S	5.31 W	544927.30 N	531894.69 E	0.19	5.31	
1700.00	1.940	228.460	-1519.27	1699.73	23.87 S	7.65 W	544925.13 N	531892.35 E	0.24	7.65	
1800.00	1.910	223.890	-1419.33	1799.67	26.18 S	10.07 W	544922.81 N	531889.93 E	0.16	10.07	
1900.00	1.720	230.670	-1319.38	1899.62	28.34 S	12.39 W	544920.66 N	531887.61 E	0.29	12.39	
2000.00	1.470	242.810	-1219.41	1999.59	29.88 S	14.69 W	544919.12 N	531885.31 E	0.42	14.69	
2100.00	1.460	233.760	-1119.45	2099.55	31.22 S	16.86 W	544917.78 N	531883.14 E	0.23	16.86	
2200.00	1.520	247.350	-1019.48	2199.52	32.48 S	19.11 W	544916.52 N	531880.89 E	0.36	19.11	
2300.00	1.380	249.350	-919.51	2299.49	33.42 S	21.46 W	544915.58 N	531878.54 E	0.15	21.46	
2400.00	1.400	245.320	-819.54	2399.46	34.35 S	23.70 W	544914.65 N	531876.30 E	0.10	23.70	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
2500.00	1.410	248.140	-719.57	2499.43	35.32 S	25.95 W	544913.68 N	531874.05 E	0.07	25.95	
2600.00	1.530	248.390	-619.60	2599.40	36.27 S	28.34 W	544912.73 N	531871.66 E	0.12	28.34	
2700.00	1.540	251.670	-519.64	2699.36	37.18 S	30.85 W	544911.82 N	531869.16 E	0.09	30.85	
2800.00	1.470	247.800	-419.67	2799.33	38.08 S	33.32 W	544910.91 N	531866.68 E	0.12	33.32	
2900.00	1.610	252.780	-319.71	2899.29	38.99 S	35.84 W	544910.01 N	531864.16 E	0.19	35.84	
3000.00	1.460	254.330	-219.75	2999.25	39.75 S	38.41 W	544909.25 N	531861.69 E	0.16	38.41	
3100.00	1.590	253.300	-119.78	3099.22	40.49 S	40.97 W	544908.51 N	531859.03 E	0.13	40.97	
3200.00	1.530	257.550	-19.82	3199.18	41.18 S	43.60 W	544907.82 N	531856.40 E	0.13	43.60	
3300.00	1.480	258.170	80.15	3299.15	41.73 S	46.17 W	544907.27 N	531853.83 E	0.05	46.17	
3400.00	1.410	266.630	180.11	3399.11	42.07 S	48.66 W	544906.83 N	531851.34 E	0.22	48.66	
3500.00	1.440	266.090	280.08	3499.08	42.23 S	51.14 W	544906.77 N	531848.86 E	0.03	51.14	
3600.00	1.310	275.250	380.05	3599.05	42.21 S	53.53 W	544906.79 N	531846.47 E	0.25	53.53	
3700.00	1.250	284.960	480.03	3699.03	41.82 S	55.73 W	544907.18 N	531844.27 E	0.22	55.73	
3800.00	1.230	290.830	580.01	3799.01	41.16 S	57.78 W	544907.84 N	531842.22 E	0.13	57.78	
3900.00	1.320	288.520	679.98	3898.98	40.41 S	59.88 W	544908.59 N	531840.12 E	0.10	59.88	
4000.00	1.380	295.810	779.95	3998.95	39.52 S	62.05 W	544909.48 N	531837.95 E	0.18	62.05	
4100.00	1.280	300.310	879.93	4098.93	38.43 S	64.11 W	544910.57 N	531835.89 E	0.14	64.11	
4200.00	1.350	297.470	979.90	4198.90	37.32 S	66.13 W	544911.68 N	531833.87 E	0.09	66.13	
4300.00	1.460	302.660	1079.87	4298.87	36.09 S	68.25 W	544912.91 N	531831.76 E	0.17	68.25	
4400.00	1.410	303.050	1179.84	4398.84	34.73 S	70.35 W	544914.27 N	531829.65 E	0.05	70.35	
4500.00	1.260	300.080	1279.81	4498.81	33.51 S	72.33 W	544915.49 N	531827.67 E	0.17	72.33	
4600.00	1.400	296.910	1379.79	4598.79	32.40 S	74.37 W	544916.60 N	531825.63 E	0.16	74.37	
4700.00	1.460	297.920	1479.75	4698.75	31.25 S	76.59 W	544917.75 N	531823.41 E	0.07	76.59	
4800.00	1.570	293.780	1579.72	4798.72	30.10 S	78.97 W	544918.90 N	531821.03 E	0.15	78.97	
4900.00	1.530	293.000	1679.68	4898.68	29.03 S	81.45 W	544919.97 N	531818.55 E	0.05	81.45	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl. Azim.	Grid Depth (ft)	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
5000.00	1.550	287.240	1779.65	4998.65	28.11 S	83.97 W	544920.89 N	531816.03 E	0.16	83.97	
5100.00	1.530	280.890	1879.61	5098.61	27.23 S	86.51 W	544921.77 N	531813.49 E	0.10	86.51	
5200.00	1.620	289.420	1979.57	5198.57	26.28 S	89.09 W	544922.72 N	531810.91 E	0.10	89.09	
5300.00	1.610	289.750	2079.53	5298.53	25.34 S	91.74 W	544923.66 N	531808.26 E	0.01	91.74	
5400.00	1.630	290.710	2179.49	5398.49	24.36 S	94.40 W	544924.64 N	531805.60 E	0.03	94.40	
5500.00	1.360	301.180	2279.46	5498.46	23.25 S	96.74 W	544925.75 N	531803.26 E	0.38	96.74	
5600.00	1.080	331.350	2379.44	5598.44	21.80 S	98.21 W	544927.20 N	531801.79 E	0.69	98.21	
5700.00	1.170	331.370	2479.42	5698.42	20.08 S	99.15 W	544928.92 N	531800.85 E	0.09	99.15	
5800.00	1.050	332.030	2579.40	5798.40	18.38 S	100.07 W	544930.62 N	531799.93 E	0.12	100.07	
5900.00	0.840	347.240	2679.39	5898.39	16.85 S	100.66 W	544932.15 N	531799.34 E	0.33	100.66	
6000.00	0.510	5.900	2779.38	5998.38	15.69 S	100.78 W	544933.31 N	531799.22 E	0.39	100.78	
6100.00	0.450	313.690	2879.38	6098.38	14.98 S	101.02 W	544934.02 N	531798.98 E	0.43	101.02	
6200.00	0.520	278.310	2979.37	6198.37	14.66 S	101.75 W	544934.34 N	531798.25 E	0.32	101.75	
6300.00	0.710	268.710	3079.37	6298.37	14.62 S	102.82 W	544934.38 N	531797.18 E	0.21	102.82	
6400.00	0.720	268.620	3179.36	6398.36	14.65 S	104.07 W	544934.35 N	531795.93 E	0.01	104.07	
6500.00	0.860	273.410	3279.35	6498.35	14.62 S	105.46 W	544934.38 N	531794.54 E	0.17	105.46	
6600.00	0.850	268.160	3379.34	6598.34	14.60 S	106.97 W	544934.40 N	531793.03 E	0.08	106.97	
6700.00	0.770	277.950	3479.33	6698.33	14.53 S	108.38 W	544934.47 N	531791.62 E	0.16	108.38	
6800.00	0.770	292.380	3579.32	6798.32	14.18 S	109.66 W	544934.82 N	531790.34 E	0.19	109.66	
6900.00	0.760	299.160	3679.31	6898.31	13.60 S	110.87 W	544935.40 N	531789.13 E	0.09	110.87	
7000.00	0.770	295.970	3779.30	6998.30	12.98 S	112.05 W	544936.02 N	531787.96 E	0.04	112.05	
7100.00	0.850	293.310	3879.29	7098.29	12.40 S	113.33 W	544936.60 N	531786.67 E	0.09	113.33	
7200.00	0.780	300.620	3979.28	7198.28	11.76 S	114.60 W	544937.24 N	531785.40 E	0.13	114.60	
7300.00	0.700	329.180	4079.27	7298.27	10.89 S	115.50 W	544938.11 N	531784.50 E	0.37	115.50	
7400.00	0.480	343.320	4179.27	7398.27	9.96 S	115.93 W	544939.04 N	531784.07 E	0.26	115.93	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate ("100ft)	Vertical Section	Comment
7500.00	0.110	160.790	4279.27	7498.27	9.56 S	116.02 W	544939.35 N	531783.98 E	0.59	116.02	
7600.00	1.150	186.260	4379.26	7598.26	10.74 S	116.10 W	544938.26 N	531783.90 E	1.05	116.10	
7700.00	1.170	188.430	4479.24	7698.24	12.74 S	116.36 W	544936.28 N	531783.64 E	0.05	116.36	
7800.00	1.340	187.840	4579.21	7798.21	14.91 S	116.67 W	544934.09 N	531783.33 E	0.17	116.67	
7900.00	2.120	204.020	4679.17	7898.17	17.76 S	117.58 W	544931.24 N	531782.42 E	0.91	117.58	
8000.00	2.530	204.490	4779.09	7998.09	21.46 S	119.25 W	544927.54 N	531780.75 E	0.41	119.25	
8100.00	3.000	204.230	4878.97	8097.97	25.85 S	121.24 W	544923.15 N	531778.76 E	0.47	121.24	
8200.00	3.120	202.130	4978.83	8197.83	30.76 S	123.34 W	544918.24 N	531776.66 E	0.16	123.34	
8300.00	3.210	201.360	5078.67	8297.67	35.89 S	125.38 W	544913.11 N	531774.62 E	0.10	125.38	
8400.00	3.230	197.950	5178.52	8397.52	41.18 S	127.27 W	544907.82 N	531772.73 E	0.19	127.27	
8436.00	3.110	200.520	5214.46	8433.46	43.06 S	127.92 W	544905.94 N	531772.08 E	0.52	127.92	deepest gyro

MWD Survey

8459.00	3.110	200.560	5237.43	8456.43	44.22 S	128.36 W	544904.78 N	531771.64 E	0.01	128.36	
8491.00	2.780	210.550	5269.39	8488.39	45.71 S	129.06 W	544903.29 N	531770.94 E	1.90	129.06	
8522.00	2.990	211.020	5300.35	8519.35	47.05 S	129.86 W	544901.95 N	531770.14 E	0.68	129.86	
8554.00	2.890	222.930	5332.30	8551.30	48.35 S	130.84 W	544900.65 N	531768.16 E	1.93	130.84	
8585.00	3.550	227.440	5363.26	8582.26	49.57 S	132.08 W	544899.43 N	531767.92 E	2.28	132.08	
8617.00	3.550	237.010	5395.19	8614.19	50.78 S	133.64 W	544898.22 N	531766.36 E	1.85	133.64	
8649.00	3.900	242.170	5427.13	8646.13	51.83 S	135.43 W	544897.17 N	531764.57 E	1.51	135.43	
8681.00	4.360	247.810	5459.04	8678.04	52.80 S	137.52 W	544896.20 N	531762.48 E	1.92	137.52	
8713.00	4.790	247.250	5490.94	8709.94	53.77 S	139.88 W	544895.23 N	531760.12 E	1.35	139.88	
8744.00	4.580	252.180	5521.84	8740.84	54.65 S	142.25 W	544894.35 N	531757.75 E	1.46	142.25	
8776.00	5.580	252.500	5553.71	8772.71	55.51 S	144.95 W	544893.49 N	531755.05 E	3.13	144.95	
8808.00	5.690	255.720	5585.56	8804.56	56.37 S	147.97 W	544892.63 N	531752.03 E	1.05	147.97	
8840.00	6.320	256.070	5617.38	8836.38	57.19 S	151.22 W	544891.81 N	531748.78 E	1.97	151.22	
8872.00	6.510	259.540	5649.18	8868.18	57.94 S	154.71 W	544891.06 N	531745.29 E	1.35	154.71	
8904.00	7.260	262.300	5680.95	8899.95	58.54 S	158.50 W	544890.46 N	531741.50 E	2.56	158.50	

HALLIBURTON
Sperdy Drilling Services

Gruy Petroleum Management Co.
New Mexico
Eddy County

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates		Global Coordinates		Dogleg		Vertical Section	Comment
					Northings (ft)	Eastings (ft)	Northings (ft)	Eastings (ft)	Rate (°/100ft)			
8936.00	7.070	264.240	5712.70	8931.70	59.01 S	162.46 W	544889.99 N	531737.54 E	0.96		162.46	
8967.00	7.630	266.650	5743.45	8962.45	59.32 S	166.42 W	544889.68 N	531733.58 E	2.06		166.42	
8999.00	7.540	271.170	5775.17	8994.17	59.40 S	170.64 W	544889.60 N	531729.36 E	1.89		170.64	
9031.00	7.430	275.590	5806.89	9025.89	59.16 S	174.79 W	544889.84 N	531725.21 E	1.83		174.79	
9063.00	7.140	283.530	5838.64	9057.64	58.49 S	178.79 W	544890.51 N	531721.21 E	3.27		178.79	
9095.00	6.780	289.600	5870.40	9089.40	57.39 S	182.50 W	544891.61 N	531717.50 E	2.56		182.50	
9126.00	6.990	299.410	5901.18	9120.18	55.85 S	185.87 W	544893.15 N	531714.13 E	3.86		185.87	
9158.00	7.000	303.980	5932.94	9151.94	53.81 S	189.18 W	544895.19 N	531710.82 E	1.74		189.18	
9190.00	6.330	305.450	5964.72	9183.72	51.69 S	192.23 W	544897.31 N	531707.77 E	2.16		192.23	
9222.00	6.240	312.130	5996.53	9215.53	49.50 S	194.96 W	544899.50 N	531705.04 E	2.30		194.96	
9254.00	5.620	317.050	6028.36	9247.36	47.19 S	197.32 W	544901.81 N	531702.68 E	2.50		197.32	
9286.00	5.800	319.690	6060.20	9279.20	44.81 S	199.43 W	544904.19 N	531700.57 E	0.99		199.43	
9318.00	5.100	323.110	6092.06	9311.06	42.44 S	201.33 W	544906.56 N	531698.67 E	2.41		201.33	
9348.00	5.060	326.210	6122.94	9341.94	40.20 S	202.92 W	544908.80 N	531697.08 E	0.89		202.92	
9381.00	4.410	329.510	6154.83	9373.83	37.97 S	204.33 W	544911.03 N	531695.67 E	2.20		204.33	
9412.00	4.790	327.960	6185.73	9404.73	35.84 S	205.62 W	544913.16 N	531694.38 E	1.29		205.62	
9444.00	5.290	327.490	6217.60	9436.60	33.47 S	207.12 W	544915.53 N	531692.88 E	1.57		207.12	
9476.00	5.740	322.260	6249.45	9468.45	30.96 S	208.89 W	544918.04 N	531691.11 E	2.11		208.89	
9507.00	5.830	313.520	6280.30	9499.30	28.66 S	210.98 W	544920.35 N	531689.02 E	2.85		210.98	
9539.00	6.410	313.760	6312.11	9531.11	26.29 S	213.45 W	544922.71 N	531686.55 E	1.81		213.45	
9571.00	6.990	307.840	6343.90	9562.90	23.86 S	216.28 W	544925.14 N	531683.72 E	2.82		216.28	
9603.00	7.320	308.280	6375.65	9594.65	21.41 S	219.42 W	544927.59 N	531680.58 E	1.05		219.42	
9635.00	8.020	309.180	6407.36	9626.36	18.73 S	222.75 W	544930.27 N	531677.25 E	2.22		222.75	
9667.00	8.490	308.410	6439.03	9658.03	15.86 S	226.33 W	544933.15 N	531673.67 E	1.51		226.33	
9697.00	8.780	306.180	6468.69	9687.69	13.13 S	229.91 W	544935.87 N	531670.09 E	1.48		229.91	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
9729.00	8.710	302.500	6500.32	9719.32	10.38 S	233.93 W	544938.62 N	531666.07 E	1.76	233.93	
9761.00	8.710	301.360	6531.95	9750.95	7.82 S	238.04 W	544941.18 N	531661.96 E	0.54	238.04	
9792.00	9.010	298.730	6562.58	9781.58	5.43 S	242.17 W	544943.57 N	531657.83 E	1.63	242.17	
9824.00	8.510	293.280	6594.21	9813.21	3.29 S	246.55 W	544945.71 N	531653.45 E	3.03	246.55	
9855.00	8.920	290.330	6624.85	9843.85	1.55 S	250.91 W	544947.45 N	531649.09 E	1.96	250.91	
9887.00	9.000	284.930	6656.46	9875.46	0.04 S	255.65 W	544948.96 N	531644.35 E	2.64	255.65	
9919.00	8.790	281.720	6688.07	9907.07	1.10 N	260.47 W	544950.10 N	531639.53 E	1.88	260.47	
9951.00	8.960	277.850	6719.69	9938.69	1.94 N	265.33 W	544950.94 N	531634.67 E	1.94	265.33	
9983.00	9.050	275.920	6751.30	9970.30	2.54 N	270.30 W	544951.54 N	531629.70 E	0.98	270.30	
10014.00	8.610	271.700	6781.93	10000.93	2.86 N	275.04 W	544951.86 N	531624.96 E	2.53	275.04	
10046.00	8.610	271.000	6813.57	10032.57	2.97 N	279.83 W	544951.97 N	531620.17 E	0.33	279.83	
10078.00	8.000	271.520	6845.23	10064.23	3.07 N	284.45 W	544952.07 N	531615.55 E	1.92	284.45	
10110.00	8.350	270.470	6876.91	10096.91	3.15 N	289.00 W	544952.15 N	531611.00 E	1.19	289.00	
10142.00	8.610	266.950	6908.56	10127.56	3.04 N	293.72 W	544952.04 N	531606.28 E	1.81	293.72	
10174.00	8.700	268.710	6940.19	10159.19	2.86 N	298.53 W	544951.86 N	531601.47 E	0.87	298.53	
10206.00	9.140	266.250	6971.81	10190.81	2.64 N	303.49 W	544951.64 N	531596.51 E	1.82	303.49	
10237.00	8.770	264.800	7002.43	10221.43	2.26 N	308.30 W	544951.26 N	531591.70 E	1.40	308.30	
10269.00	8.440	265.370	7034.07	10253.07	1.85 N	313.07 W	544950.85 N	531586.93 E	1.07	313.07	
10301.00	8.790	267.830	7065.71	10284.71	1.57 N	317.85 W	544950.57 N	531582.15 E	1.59	317.85	
10333.00	9.230	272.930	7097.31	10316.31	1.61 N	322.86 W	544950.61 N	531577.14 E	2.85	322.86	
10365.00	9.670	272.400	7128.88	10347.88	1.85 N	328.11 W	544950.85 N	531571.89 E	1.40	328.11	
10397.00	9.670	272.580	7160.42	10379.42	2.08 N	333.48 W	544951.08 N	531566.52 E	0.09	333.48	
10428.00	9.320	271.700	7191.00	10410.00	2.28 N	338.59 W	544951.28 N	531561.41 E	1.22	338.59	
10460.00	8.880	269.770	7222.60	10441.60	2.34 N	343.65 W	544951.34 N	531556.35 E	1.67	343.65	
10492.00	9.060	273.340	7254.21	10473.21	2.48 N	348.63 W	544951.48 N	531551.37 E	1.83	348.63	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
10524.00	8.560	270.730	7285.83	10504.83	2.66 N	353.53 W	544951.66 N	531546.47 E	2.00	353.53	
10555.00	8.420	272.720	7316.49	10535.49	2.79 N	358.10 W	544951.79 N	531541.90 E	1.05	358.10	
10587.00	8.530	273.630	7348.14	10567.14	3.06 N	362.81 W	544952.06 N	531537.19 E	0.54	362.81	
10619.00	8.610	274.160	7379.78	10598.78	3.38 N	367.57 W	544952.38 N	531532.43 E	0.35	367.57	
10651.00	8.440	271.520	7411.43	10630.43	3.62 N	372.30 W	544952.62 N	531527.70 E	1.33	372.30	
10683.00	8.000	267.310	7443.10	10662.10	3.57 N	376.88 W	544952.57 N	531523.12 E	2.33	376.88	
10715.00	8.170	267.310	7474.78	10693.78	3.36 N	381.37 W	544952.36 N	531518.63 E	0.53	381.37	
10745.00	8.440	267.830	7504.47	10723.47	3.18 N	385.70 W	544952.18 N	531514.30 E	0.93	385.70	
10777.00	8.610	268.890	7536.11	10755.11	3.04 N	390.44 W	544952.04 N	531509.56 E	0.72	390.44	
10809.00	9.230	272.400	7567.73	10786.73	3.10 N	395.40 W	544952.10 N	531504.60 E	2.58	395.40	
10841.00	9.050	269.590	7599.32	10818.32	3.19 N	400.48 W	544952.19 N	531499.52 E	1.50	400.48	
10873.00	9.490	271.880	7630.90	10849.90	3.26 N	405.64 W	544952.26 N	531494.36 E	1.79	405.64	
10937.00	9.050	266.250	7694.07	10913.07	3.11 N	415.93 W	544952.11 N	531484.07 E	1.57	415.93	
10969.00	8.260	262.030	7725.70	10944.70	2.62 N	420.72 W	544951.62 N	531479.28 E	3.17	420.72	
11001.00	7.820	259.040	7757.39	10976.39	1.89 N	425.13 W	544950.89 N	531474.87 E	1.90	425.13	
11033.00	7.380	259.920	7789.11	11008.11	1.12 N	429.29 W	544950.12 N	531470.71 E	1.42	429.29	
11068.00	7.730	259.570	7823.80	11042.80	0.30 N	433.82 W	544949.30 N	531466.18 E	1.01	433.82	
11100.00	7.820	264.140	7855.51	11074.51	0.31 S	438.10 W	544948.69 N	531461.90 E	1.95	438.10	
11132.00	8.000	270.650	7887.21	11106.21	0.51 S	442.50 W	544948.49 N	531457.50 E	2.85	442.50	
11164.00	8.090	275.740	7918.89	11137.89	0.26 S	446.96 W	544948.74 N	531453.04 E	2.24	446.96	
11196.00	8.090	278.910	7950.57	11169.57	0.31 N	451.43 W	544949.31 N	531448.57 E	1.39	451.43	
11228.00	8.000	280.840	7982.26	11201.26	1.08 N	455.84 W	544950.08 N	531444.16 E	0.89	455.84	
11260.00	8.090	281.900	8013.94	11232.94	1.96 N	460.23 W	544950.96 N	531439.77 E	0.54	460.23	
11292.00	8.090	279.960	8045.62	11264.62	2.82 N	464.65 W	544951.82 N	531435.35 E	0.85	464.65	
11324.00	8.530	276.450	8077.29	11296.29	3.47 N	469.23 W	544952.47 N	531430.77 E	2.10	469.23	

Survey Report for Sec.07-T21S-R27E - Colton 7 Federal #1

Measured Depth (ft)	Incl.	Grid Azim.	Sub-Sea Depth (ft)	Vertical Depth (ft)	Local Coordinates Northings (ft)	Eastings (ft)	Global Coordinates Northings (ft)	Eastings (ft)	Dogleg Rate (°/100ft)	Vertical Section	Comment
11356.00	8.960	275.220	8108.92	11327.92	3.97 N	474.07 W	544952.97 N	531425.93 E	1.47	474.07	
11388.00	8.960	273.460	8140.53	11359.53	4.34 N	478.04 W	544953.34 N	531420.96 E	0.86	479.04	last MWD survey
11451.00	8.960	273.460	8202.76	11421.76	4.94 N	488.83 W	544953.94 N	531411.17 E	0.00	488.83	Projection to TD

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to Grid North.
Vertical depths are relative to RKB(31.99'+20'KB). Northings and Eastings are relative to Wellhead.
Global Northings and Eastings are relative to NAD27 New Mexico State Planes, Eastern Zone.

The Dogleg Severity is in Degrees per 100 feet.
Vertical Section is from Wellhead and calculated along an Azimuth of 270.000° (Grid).

Based upon Minimum Curvature type calculations, at a Measured Depth of 11451.00ft.,
The Bottom Hole Displacement is 488.86ft., in the Direction of 270.578° (Grid).

Comments

Measured Depth (ft)	TVD (ft)	Station Coordinates Northings (ft)	Eastings (ft)	Comment
8436.00	8433.46	43.06 S	127.92 W	deepest gyro
11388.00	11359.53	4.34 N	479.04 W	last MWD survey
11451.00	11421.76	4.94 N	488.83 W	Projection to TD

North Reference Sheet for Sec.07-T21S-R27E - Colton 7 Federal #1

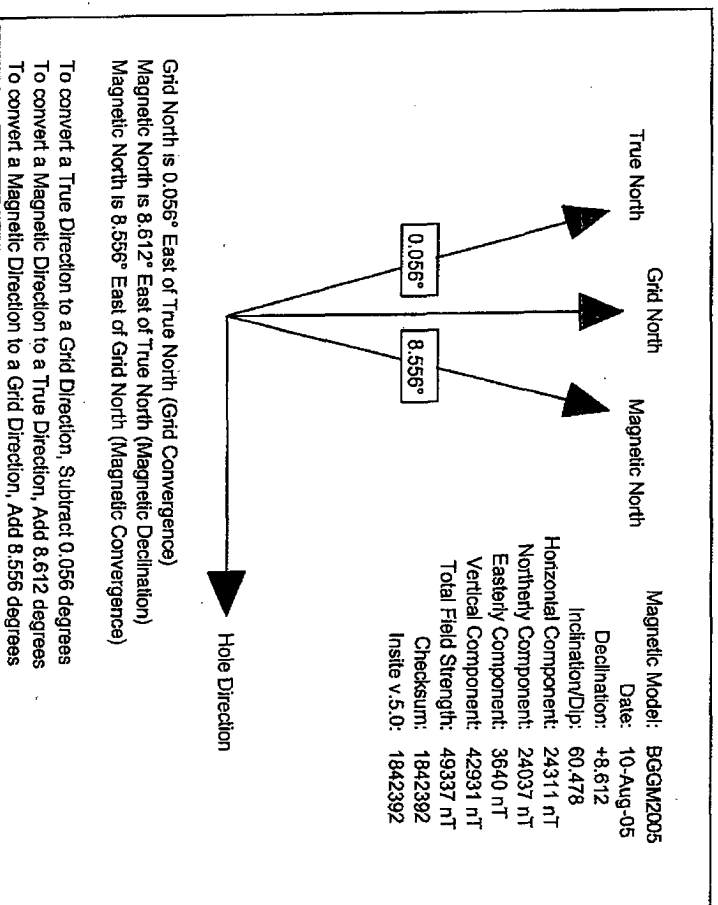
Coordinate System is NAD27 New Mexico State Planes, Eastern Zone, US Foot
Source: Snyder, J.P., 1987, Map Projections - A Working Manual

Datum is North American Datum of 1927 (US48, AK, HI, and Canada)

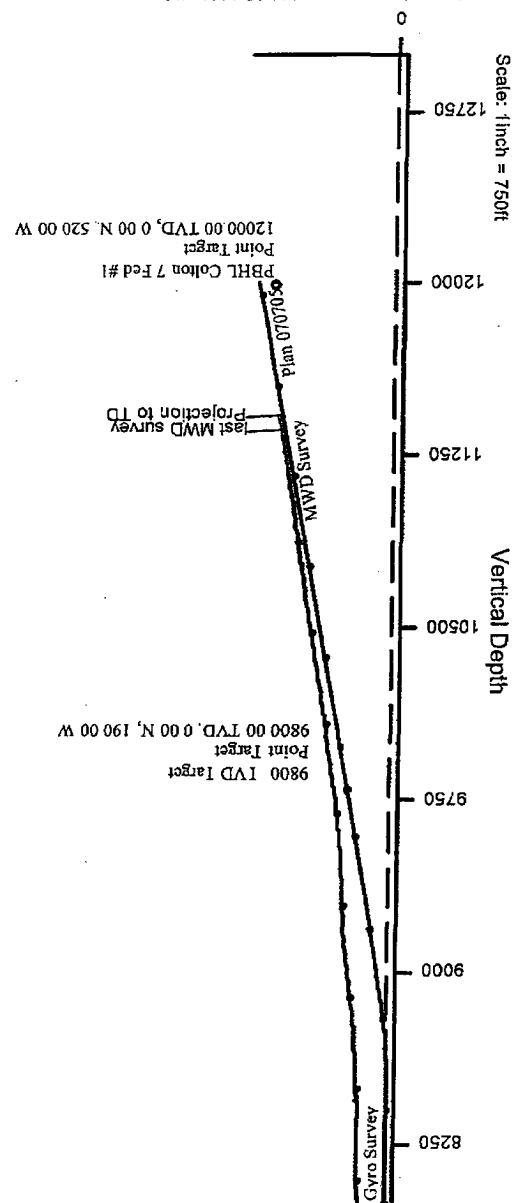
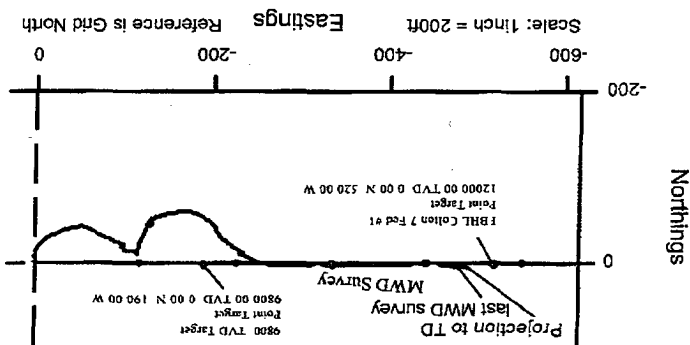
Spheroid is Clarke - 1866
Equatorial Radius: 6378206.400m.
Polar Radius: 6356583.800m.
Inverse Flattening: 294.978698213901

Projection method is Transverse Mercator or Gauss Kruger Projection
Central Meridian is -104.333°
Longitude Origin: 0.000°
Latitude Origin: 31.000°
False Easting: 152400.00m
False Northing: 0.00m
Scale Reduction: 0.99990909

Grid Coordinates of Well: 544949.00 N, 531900.00 E
Geographical Coordinates of Well: 32° 29' 53.2783" N, 104° 13' 47.5143" W
Surface Elevation of Well: 3219.00ft
Grid Convergence at Surface is +0.056°
Magnetic Convergence at Surface is -8.556° (10 August, 2005)



New Mexico
Eddy County
Sec. 07-T21S-R27E
Colton 7 Federal #1



Prepared by: Dennis Cook
Date/Time: 27 August, 2005 - 11:29
Checked:
Approved:



CACTUS DRILLING COMPANY, L.L.C.
REPORT OF PROOF OF APPARENT DEVIATION
NEW MEXICO

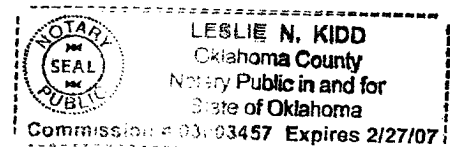
OPERATOR GRUY PETROLEUM MANAGEMENT CO.
600 EAST LAS COLINAS BLVD. STE 1100
IRVING, TX 75039

FIELD NAME _____
COUNTY/PARISH EDDY

WELL NAME & NO. COLTON 7 FEDERAL COM

LEGAL SEC 7-21S-27E

MEASURED DEPTH (FT)	COURSE LENGTH (HUNDREDS OF FT)	ANGLE OF INCLINATION (DEGREES)	DISPLACEMENT PER HUNDRED FT (SINE OF ANGLE X 100)	COURSE DISPLACEMENT (FEET)	ACCUMULATIVE DISPLACEMENT (FEET)	REMARKS
300	3.00	1	1.7452	5.24	5.24	
737	4.37	1	1.7452	7.63	12.86	
1215	4.78	1 1/4	2.1815	10.43	23.29	
1736	5.21	2	3.4899	18.18	41.47	
2232	4.96	1 1/2	2.6177	12.98	54.46	
2695	4.63	1	1.7452	8.08	62.54	
3169	4.74	1 1/2	2.6177	12.41	74.94	
3678	5.09	1	1.7452	8.88	83.83	
4154	4.76	1 1/4	2.1815	10.38	94.21	
4631	4.77	1 1/4	2.1815	10.41	104.62	
5109	4.78	1 3/4	3.0539	14.60	119.21	
5585	4.76	1	1.7452	8.31	127.52	
6062	4.77	3/4	1.3090	6.24	133.77	
6537	4.75	1 1/7	1.9895	9.45	143.22	
7016	4.79	1 1/9	1.9197	9.20	152.41	
7538	5.22	1/5	0.3316	1.73	154.14	
8157	6.19	3 1/8	5.4427	33.69	187.83	



Leslie N. Kidd
1-4-06