



## Gruy Petroleum Management Co.

600 East Las Colinas Blvd. ♦ Suite 1100 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (469) 420-2710

Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

*A subsidiary of Cimarex Energy Co. • A NYSE Listed Company • "XEC"*

December 20, 2005

Oil Conservation Division  
District II Office  
1301 W. Grand Ave.  
Artesia, New Mexico 88210  
Attn: Mr. Bryan Arrant

Re: Statewide Rule 118  
Hydrogen Sulfide Gas Contingency Plan  
Proposed Loco Hills 20 Federal Com No. 1 Well

30-015-34596

Dear Mr. Arrant:

RECEIVED

DEC 27 2005

UUL-ARTESIA

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Gruy Petroleum Management Co. does not anticipate that there will be enough H<sub>2</sub>S from the surface to the Morrow/Atoka formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Loco Hills 20 Federal Com No. 1  
SHL: 330' FNL & 610' FEL  
BHL: 787' FNL & 679' FEL  
Sec 20-T17S-R30E  
Eddy County, NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

Zeno Farris  
Manager, Operations Administration