Form 3160-5 (November 1994)

Oil Cons. N.M. DIV-Dist. 2 UNITED STATES 1301 W. Grand Avenue DEPARTMENT OF THE INTERIOR Artesia NIM 99210

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 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1200' FNL & 1400' FEL Sec. 8 T24S - R26E				 Lease Serial No. NM 15295 If Indian, Allottee or Tribe Name If Unit or CA/Agreement, Name and/or No. Well Name and No. C & K Federal 3 API Well No. 30-015-32947 Field and Pool, or Exploratory Area White City; Penn (Gas) County or Parish, State Eddy Co., NM 			
12. CHECK	APPROPRIATE BOX(ES) TO	O INDICATE NATURE (OF NOTICE, R	EPORT, OF	OTHER DA	TA	
TYPE OF SUBMISSION	N	TYPE OF ACTION					
If the proposal is to deepe Attach the Bond under wh following completion of the	pleted Operation (clearly state all pertin directionally or recomplete horizontalich the work will be performed or prote involved operations. If the operation d. Final Abandonment Notices shall be	lly, give subsurface locations an vide the Bond No. on file with results in a multiple completion	Reclamation Recomplete Temporarily Ab Water Disposal d starting date of ad d measured and tri BLM/BIA. Requi	andon ny proposed we vertical deprived subsequenting a new interv	casing ork and approximaths of all pertinent reports shall be val. a Form 3160-	production nate duration thereof. at markers and zones. filed within 30 days 4 shall be filed once	
	l logger's TD of 12406.						
	2" casing.	asing. ning 12410' of 5-1/2" P110 & N80 17# LTC casing to 12406.' Cemented 1st stage with 400 sx Interfill					
H & 600	sx Super H. Circulated 80 stat. Displaced with 162 bbls f	cement to pit. Cemen	ted 2nd stage ny cement. Re	with 750 s. eleased rig	x Interfill C &	100 sx	
			- H	0V 3 2	2003		
14. I hereby certify that the fo Name (Printed/Typed)	regoing is true and correct	Title					
Natalie Krueger Signature	ale Knieg	Date	on Assistant PETR 27, 2003	LES BABY/ OLEUM EN	AK IGINEER		
	THIS SPACE F	OR FEDERAL OR STAT	E OFFICE USE				
Approved by		Title		[D	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. 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.

Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

September 19, 2003 Thru October 20, 2003

OPERATED

WHITE CITY PROSPECT

GRUY PETROLEUM MANAGEMENT CO 77154 C & K FEDERAL #3

Sec 8, T24S, R26E

W.I. Pct BCP 67.41 % W.I. Pct ACP 33.70 %

Morrow / 12,000'

09/19/2003

EDDY, NM

Depth

2,550

Progress

615

AFE:

23395

Present Operation: Drlg

NU BOP stack & choke manifold; test blinds, pipe rams, choke manifold valves & floor valves to 250 & 5000#, test annular to 250 & 3500#, greased & worked manifold valves before they would test; hooked up flowline & centered BOP stack; MU BHA & TIH to 1875' & tag cmt; test casing to 2200#; drill cmt to FC at 1891', FC, cmt to shoe at 1935' & FS; drill 5' of new formation and test to 200# for a 10.5 ppg EMW; drlg from 1940' to 2505' with 25-35K WOB & 50 RPM; WLS at 2430' = 1.5 degs; drlg f/2505' to 2550' with 25K WON & 50 RPM.

09/20/2003

Depth

3,350

Progress

800

AFE:

23395

Present Operation: Drlg

Drlg f/2550' to 2856' with 25-30K WOB & 50 RPM; WLS at 2781' = 1.25 degs; drlg f/2856' to 3320' with 20-25K WOB & 50 RPM; WLS at 3258' = 1 deg; drlg f/3320' to 3350' with 35-30K WOB & 50

RPM.

09/21/2003

Depth

4.095

Progress

745

AFE: 23395

Present Operation: Running Gyro

Drlg f/3350' to 3809' with 25K WOB & 50 RPM; WLS at 3757' = .5 degs; drlg f/3809' to 4095' with

30K WOB & 50 RPM; sweep hole with high visc pill; RU Gyro & run gyro.

09/22/2003

Depth

4.374

Progress

279

AFE:

23395

Present Operation: Jet Pits & Work on Pump

Running gyro from 4053' to surface; TOH; chg out BHA, MU build assy & orient tools; TIH to 4045'; W&R 50' to btm; rotate & slide from 4095' to 4374' wito 30-40K WOB & 40-50 RPM; MWD quit, TOH to check tools, screen full of paper & cuttings; jet pits & work on #1 pump. Surveys: 4099' = 1.1 deg at 179.2 AZ, 4163 = 1.7 deg at 232.4 AZ, 4226 = 3.1 deg at 249 AZ, 4290 = 5.2 deg at 253.9 AZ, 4322

= 6.2 deg at 255.4 AZ.

09/23/2003

Depth **Progress** 4,879

505

AFE: 23395 Present Operation: Rotate & Slide

Clean pits, adjust brakes & work on #1 pump; test MWD; TIH to 4330'; wash 44' to btm; rotate & slide from 4374' to 4879' with 40K WOB & 50 RPM, slide 7-9' per kelly. Surveys: 4385 = 7.8 deg at 256 AZ, 4480' = 11 degs at 254.3 AZ, 4575' = 13.5 deg at 255.4 AZ, 4671' = 15.8 deg at 257.5 AZ, 4786' =

Thursday, 23 October, 2003

C & K FEDERAL #3

17.3 deg at 257.5 AZ, 4798 = 17.7 deg at 256.5 AZ.

09/24/2003 Depth 5,406

Progress 526

AFE: 23395 Present Operation: Drlg

Rotate & slide from 4879' to 5406' with 35K WOB & 45 RPM. Surveys: 4893' = 19 degs at 258.7 AZ, 4989' = 20 deg at 260.8 AZ, 5084' = 19.9 deg at 261.9 AZ, 5179' = 19.2 deg at 259.1 AZ, 5274' = 19.8 deg at 258.6 AZ, 5338' = 19.9 deg at 262.9 AZ - angle wanting to build, sliding 9-10' each conn at

150-160R GTF.

09/25/2003 Depth 5,780

Progress 374

AFE: 23395 Present Operation: Drilling

Rotate and slide from 5406' to 5780 with 40K WOB and 45 RPM. Bit not wanting to hold angle. Prepare to trip for new bit. Daily ROP - 15.5'/hr / Cum ROP - 21.5'/hr.

Surveys:

5401' - 19.3 deg at 262.8 AZ 5496' - 16.9 deg at 259.8 AZ 5591' - 16/6 deg at 254 AZ 5687' - 16.5 deg at 256.2 AZ 5719' - 16.1 deg at 256.1 AZ

09/26/2003 Depth 6,026

Progress 246

AFE: 23395 Present Operation: Drilling

Drilling from 5780' to 5786' with 40K WOB and 45 RPM. Pump BW slug. Trip out of hole for bit and motor. Cut drilling line. TIHto 5338 and tag up on bridge. Wash and ream from 5338' to 5786'. Appears to have been keyseated. Back reamed several times from 5338' to 5360' before able to pull up through this section. Rotate and slide from 5786' to 6036' with 40K WOB and 45 RPM. Doily BOB 24.76' hour.

slide from 5786' to 6026' with 40K WOB and 45 RPM. Daily ROP 24.76'/hour.

SURVEYS:

5785' - 16.3 deg at 254.7 AZ 5849' - 16.9 deg at 259 AZ 5880' - 18 deg at 257.6 AZ 5912' - 18.7 deg at 258.3 AZ

5944' - 18.5 deg at 260.5 AZ VS - 472.33' at 6026'

09/27/2003 Depth 6,565 Progress 539

23395

AFE:

Present Operation: Drlg

Rotate & slide from 6026' to 6565' with 40K WOB & 45 RPM - Surveys: 6103' = 18.1 deg at 263 AZ, 6198' = 18.5 deg at 261.9 AZ, 6293' = 18.8 deg at 262.3 AZ, 6388' = 18.8 deg at 262.8 AZ, 6483' =

18.2 deg at 264.7 AZ

09/28/2003 Depth 7,040

Progress 475

AFE: 23395 Present Operation: Drlg

Rotate & slide from 6565' to 7040' with 40K WOB & 45 RPM. Surveys: 6610' = 18.5 deg at 266.1 AZ, 6706' = 18.3 deg at 265.6 AZ, 6801 = 18.2 deg at 266.2 AZ, 6896' = 19.3 deg at 267.2 AZ, 6960' = 19.2

deg at 266.4 AZ.

09/29/2003 Depth 7,460

Progress 420

AFE: 23395 Present Operation: Drlg

Rotate & slide from 7040' to 7460' with 40K WOB & 45 RPM, drag 40-50K on conn. Surveys: 7087' =

Thursday, 23 October, 2003 C & K FEDERAL #3

17.9 deg at 262.5 AZ, 7182' = 17.7 deg at 264.1 AZ, 7278' = 17.8 deg at 263.3 AZ, 7373' = 17.5 deg at 262.3 AZ.

09/30/2003

Depth

7,888 428

AFE: 23395

Progress

Present Operation: Drlg

Rotate & slide from 7460' to 7888' with 40K WOB & 45 RPM, will trip for bit & check DC today. Surveys: 7500' = 18.5 deg at 262.5 AZ, 7595' = 18.6 deg at 263.2 AZ, 7691' = 18.3 deg deg at 265.5 AZ, 7786' = 19.3 deg at 264.3 AZ, 7818' = 19.5 deg at 263.2 AZ.

10/01/2003

Depth

8,217

Progress

329

AFE: 23395 Present Operation: Inspecting DCs

Rotate & slide from 7888' to 8217' with 40K WOB & 45 RPM, pumped gel sweeps as needed, starting to lose angle & sliding more tohold what we have; TOH to DCs; wait on DC inspector & RU same; TOH inspecting DC, found one collar bad thus far & still have about half to check. Surveys: 7881' = 19.4 deg @ 262.7 AZ, 7976' = 19.3 deg at 263.8 AZ, 8071' = 18.9 deg at 261 AZ, 8135' = 18 deg at 262.4 AZ.

10/02/2003

Depth

8,217

Progress

AFE: 23395

Present Operation: Install Rotary Shaft

Inspect DCs, found four bad boxes on 6" DCs; chg out bit, motor & UBHO, orient tools & test; TIH to 5387' & tag up on bridge; work pipe through tight spot 7 back out above same to 5350', rotary table will not turn; work on drawworks; trip out to 2880' to install string mill; wait on mechanic to check rotary shaft, mechanic arrived, checked out drawworks and said it would probably take at least a day to repair shaft; trip out into casing at 1930'; remove rotary shaft & install new one from Curtis Machine Shop in Hobbs. Presently about 2-3 hrs from being ready to TIH to drill.

10/03/2003

Depth

8,525

Progress

308

AFE:

23395

Present Operation: Drlg

Chg out rotary shafat in drawworks; TIH to 5141' & tag bridge; work through tight hole from 5141' to 5400' pushing fill down hole; TIH to 8057', watermelon mill at 5090'; double ream each it to btm at 8217', mill dragging about 25K above normal drag; rotate & slide from 8217' to 8525' with 40K WOB & 50 RPM. Surveys: 8216' = 19 deg at 264.5 AZ, 8311' = 19.7 deg at 264.1 AZ, 8407 = 19.8 deg at 265.9 AZ,

8470' = 19.6 deg at 266.2 AZ.

10/04/2003

Depth

8.901

Progress

376

AFE:

23395

Present Operation: Tripping for MWD

Rotate & slide from 8525' to 8552' with 40K WOB & 50 RPM; rig serv; rotate & slide from 8552' to 8901' wiht 40K WOB & 50 RPM, MWD tool quit; TOH for MWD tool, trip out went without any drag in problem section from 5100' to 5400'; chg out MWD & test same, run DC in hole; TIH with DP, presently approx. at 3000' GIH, moved mill up hole to 5100' when on btm. Surveys: 8533' = 19.6 deg at 266.5 AZ, 8629' = 18.9 deg at 265.1 AZ, 8724' = 19.2 deg at 265.9 AZ, 8787 = 19.2 deg at 265.6 AZ

10/05/2003

Depth

Progress

9,340

439

AFE:

23395

Present Operation: Drlg

TIH to 6000', no problems from 5100' to 5400' with bridges; fill pipe & brak circ at 6000'; TIH to 8901' with no fill; rotate & slide from 8901' to 9340' with 40K WOB & 50 RPM, mill at 5550'. Surveys: 8914' = 18.4 deg at 268.5 AZ, 9010 = 18.5 deg at 268.4 AZ, 9105' = 17.5 deg at 268.9 AZ, 9201' = 16.6 deg at 268.6 AZ, 9265' = 16.7 deg at 266 AZ, sliding 11-12' each conn to hold angle.

10/06/2003

Depth 9.745 Progress

405

AFE:

23395

Present Operation: Drlg

Rotate & slide from 9340' to 9442' with 40K WOB & 50 RPM; rig serv; rotate & slide from 9442' to 9569' with 40K WOB & 50 RPM; rig repairs, could not get signal from MWD because swabs were out in both pumps, chg out swabs & MWD began working again; rotate & slide from 9569' to 9745' with 40K WOB & 50 RPM, slide 11-12' per conn. Surveys: 9392' = 18 deg at 265.6 AZ, 9487' = 18 deg at 262 AZ, 9582' = 18.5 deg at 262.2 AZ, 9677' = 18.6 deg at 263.2 AZ.

10/07/2003

Depth 10,117 **Progress** 372

AFE:

:23395

Present Operation: Drlg

Rotate & slide from 9745' to 10,117' with 40K WOB & 50 RPM. Surveys: 9709' = 18.3 deg at 261.9 AZ, 9804' = 18.1 deg at 263.3 AZ, 9900' = 17.5 deg at 264.8 AZ, 9995' = 17.9 deg at 263.8 AZ, 10,058' = 18.2 deg at 262.7 AZ, 1744.89 VS.

10/08/2003

Depth 10,470 Progress 353

AFE:

23395

Present Operation: Drlg

Rotate and slide from 10117' - 10470' with 40K WOB and 50 RPM. Daily ROP - 13.95'/hr. Surveys; 10090' - 18.1 deg at 261.4 AZ 10185' - 18.8 deg at 261.6 AZ 10281' - 18.4 deg at 263.1 AZ 10376' -18.9 deg at 262.7 AZ 10408' - 19 deg at 261.8 AZ BGG - 325u / Max Gas - 945u / No Shows and No Flare.

10/09/2003

Depth 10,617 **Progress** 147

AFE:

23395

Present Operation: Replacing Element in BOP

Rotate and slide from 10470' - 10617' with 45K WOB and 50 RPM. Found several small pieces of annular preventer element going across shale shaker. Toolpusher called Burnsco in Odessa, Tx to replace element. Circulate for trip out of hole. Intermitted flare of 3 - 4'. Trip out of hole for bit and to replace element. Laydown motor and MWD. Will replace MWD. Nipple down rotatinghead and jet pits. Remove annular bowl cap and element. Began moving stored mud from frac tanks on Exxon #3 to steel pits. Presently have pits full and technicians have BOP ready to assemble. Daily ROP - 12.7'/hr. Surveys; 10376' - 18.9 deg at 262.7 AZ 10472' - 17.9 deg at 263.4 AZ 10535' - 17.1 deg at 264.1 AZ BGG - 200u / Intermitted flare of 3 - 4' while drillling.

10/10/2003

Depth 10,825 **Progress** 308

AFE:

23395

Present Operation: Drlg

Finish Nu annular Bop, Function test same. Slip & cut 130' of Drlg, Line, PU New BHA & test motor; Rig Repair - replace clutches in rotary; TIH Circ. Water to frac tank; TIH to 6000' Displace water in hole with mud Finish TIH Wash & ream 60', no fill Rotate & slide drill to 10,825', w42k WOB & 50 RPM Daily ROP - 14.3'/hr. Surveys: 10,563'-17.06 deg @ 264.01 AZ; 10,594' - 17.02 deg. @ 261.32 AZ; 10626' - 17.05 deg @ 259.04 AZ 10,658'-17.81 deg @ 257.55 AZ; 10,689' - 18.43 deg @ 259.36 AZ; 10,721'- 10.63 deg @ 260.56 AZ

10/11/2003

Depth 11,165 **Progress** 340 Present Operation: Drlg

AFE: 23395

> Rotate & Slide Drilling from 10,825' to 11,165'----24 hrs. W/ 42k WOB & 50 RPM Daily ROP -14.4'/hr. Surveys: 10,817' - 18.69 deg. @ 261.9 AZ 10,848' - 17.85 deg. @ 262.75 AZ 10,890' -18.07 deg. @ 262.98 AZ 10,922' - 17.89 deg. @ 259.15 AZ 11,943' - 18.19 deg. @ 260.9 AZ 10,975' -18.79 deg. @ 260.93 AZ 11,007' - 18.67 deg. @ 259.96 AZ 11,039' - 18.88 deg. @ 260.69 AZ 11,071' -

18.41 deg. @ 260.58 AZ 11,102' - 18.17 deg. @ 261.82 AZ

10/12/2003

Depth

11.480

11,750

310

Progress

315

AFE: 23395 Present Operation: Drlg

Rotate & Slide Drilling from 11,165' to 11,480'----24 hrs. W/42k WOB & 50 RPM Daily ROP -13.1'/hr. Surveys: 11,134' - 18.00 deg. @ 261.44 AZ 11,166' - 17.73 deg. @ 262.39 AZ 11,198' -17.72 deg. @ 261.94 AZ 11,230' - 17.93 deg. @ 262.00 AZ 11,261' - 18.28 deg. @ 261.82 AZ 11,293' - 17.67 deg. @ 262.87 AZ 11.325' - 17.23 deg. @ 260.41 AZ 11.357' - 17.75 deg. @ 260.34 AZ 11,389' - 17.93 deg. @ 259.71 AZ 70% LS, 30% SH; BGG - 516 units; Top of MORROW - 11,255

- 11,320"1st sand @ 11,469';

10/13/2003

Depth **Progress**

AFE: 23395

Present Operation: Drlg

Rotate & Slide Drilling from 11,480' to 11,750'-23.5 hrs.w/.5 hr. rig repair. W/ 42k WOB & 50 RPM Daily ROP - 13.1'/hr. Surveys: 11,421' - 17.67 deg. @ 257.43 AZ 11,453' - 17.58 deg. @ 257.60 AZ 11,484' - 17.67 deg. @ 257.43 AZ 11,516' - 18.11 deg. @ 258.13 AZ 11,548' - 18.11 deg. @ 257.43 AZ 11,580' - 18.19 deg. @ 259.36 AZ 11,612' - 18.02 deg. @ 257.95 AZ 11,644' - 18.11 deg. @ 258.13 11,707' - 17.93 deg. @ 257.78 AZ 1000% LS; BGG - 800 AZ 11,675' - 18.02 deg. @ 257.75 AZ units; Top of MORROW - 11,255'; Drlg break from 11,624' to 11,644'; Sand BGG - 995 units, no flare; Drlg break from 11,750' to 11,764' - BGG-1115 units, w/3' flare;

10/14/2003

11.880 Depth

Progress

130

AFE:

23395

Present Operation: Drlg

Rotate & Slide Drilling from 11,750' to 11,860'. Chag. Out Rot. Head bearing and seal assembly. Circulate samples & build & pump slug; TOOH for bit change. LD / PU BHA #5, chg. Bit, new 1.83 degree motor; & fresh MWD; TIH. Wash & Ream 75' to bottom no fill. Rotate & Slide Drilling from 11,860' to 11,880'; SURVEYS: 11,739' - 17.75 deg. @ 255.84 AZ 11,770' - 17.23 deg. @ 254.96 AZ 11,802' - 17.06 deg. @ 256.12 AZ 70% LS;30% Sandstone; BGG - 283 units; Trip gas - 2380 units with 20' flare;

10/15/2003

Depth 12,141 **Progress** 261

AFE: 23395

Present Operation: Drlg

Rotate & slide from 11,880' to 12,141' with 42K WOB & 55 RPM. Surveys: 11,866' = 17.94 deg at 255.36 AZ, 11,960' = 17.72 deg at 256.01 AZ, 12,023' = 18.26 deg at 254.21 AZ, 12,055' = 18.88 deg at 254.47 AZ.

10/16/2003

Depth 12,337 **Progress** 196

AFE: 23395

Present Operation: Drlg

Rotate & slide from 12,141' to 12,337' with 42K WOB & 55 RPM, had several hours of slow drilling in shale section. Surveys: 12,149' = 17.42 deg at 255.32 AZ, 12,244' = 17.93 deg at 255.29 AZ, 12,275' = 17.79 deg at 254.9 AZ.

10/17/2003

12,406 Depth **Progress** 69

AFE: 23395 Present Operation: Trip Out for Logs

Rotate & slide from 12,337' to 12,406' with 42K WOB & 55 RPM, FIN 6' slide when drill string became stuck, appeared to be differentially stuck, had good circulation; work stuck pipe & ordered 75 bbls of oil; spot 50 bbls of oil outside DC & left 25 bbls inside drill string, started pulling up to 360K & slacking off to 200K, string became free after oil was on spot for 30 mins; pull 20 std short trip &

trip back to btm, normal & steady drag on short trip; CIRC & tie oil into mud, had 15-20' flare for 20 mins & dropped off to 4-5'; pump weighted slug & strap out of hole for logs, loggers on location at 0430 hrs, should be out of hole around 0630 hrs. Surveys: 12,118' = 17.28 deg at 255.35 AZ, 12,212' = 17.75 deg at 254.57 AZ, 12,307' = 18.12 deg at 255.52 AZ, 12,338' = 17.61 deg at 255.57 AZ.

10/18/2003

Depth

12,406

Progress

0

AFE: 23395 Present Operation: TIH

TOH for logs; LD directional tools; RU Hall & run log 31 - GR, Sonic & density neutron to loggers TD of 12,406', had some drag while logging out, but no problems with stickage, ran formation test on log

#2 & performed 12 test; TIH with slick assy.

10/19/2003

12,406

Progress

0

AFE:

23395

Present Operation: Running Casing

TIH & break circulation at 6000'; C&C mud for casing; LD DP & DCs, break out kelly & bushings; RU casing crew & run 5-1/2" casing, presently have 11,000' in hole & having no problems running casing.

10/20/2003

Depth

12,406

Progress

0

23395 AFE:

Present Operation: Released Rig

Ran 12,410' of 5-1/2" P110 & N80, 17# LTC casing to 12,406' & tag up on soft fill; C&C, had 20-25' flare on btms up for 30 mins; cmt first stage with 400 sx interfill "H" & 600 sx Super "H" w/good returns, bumped plug & floats held; open DV tool at 6955' & CIRC 80 sx of cmt to pits; cmt second stage with 750 sx interfill "C" & 100 sx Prem Neat, displaced with 162 bbls FW & bumped plug, closed tool with 2400# & held, had good press throughout job even after losing returns 12 bbls before bumping plug, did not circulate any cmt; ND BOP stack & set slips; cut casing & set out BOP stack; NU tubinghead & test to 5000#; clean steel pits. Released Rig at 0300 hrs.