

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. Oil and Gas
SUBMIT IN TRIPLICATE

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

(Other instructions on
reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC - 067132	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL WELL OTHER ZONE <input type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/>		6. IF INDIAN, ALLOTES OR TRIBE NAME	
2. NAME OF OPERATOR Gruy Petroleum Management Co. 162683		7. UNIT AGREEMENT NAME SCR - 150	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		8. FARM OR LEASE NAME, WELL NO. 25523 Empire 20 Federal Com 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) 660' FSL & 1650' FEL Unit O		9. API WELL NO. 30-015- 31046	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6.5 miles Southeast of Artesia New Mexico		10. FIELD AND POOL, OR WILDCAT Turkey Track, Morrow North	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drlg. unit line, if any) 660'		11. SEC. T., R., M., BLOCK AND SURVEY OR AREA Sec. 20 T18S R29E	
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2820'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3513'		22. APPROX. DATE WORK WILL START* 3-15-00	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	400'	465
11"	K-55 8 5/8"	24 #	3200'	995 sx circulate
7 7/8"	55 5 1/2" N-80/5-95	15.5 # 17#	11500'	860 sx TOC 8500'

The proposed well will be drilled to a depth of 11500' and completed as a Turkey Track Morrow North (Atoka/Morrow) producer. From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24 SIGNED Zeno Farris PH: 972-401-3111 TITLE Mgr. Ops. Admin DATE 02-11-00

(This space for Federal or State office use)

PERMIT No. _____ APPROVAL DATE _____

Application approval 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.

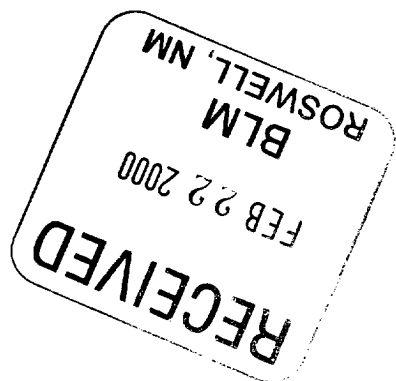
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SUD.) ARMANDO B. LUNA TITLE Acting Assistant Field Manager, Lands And Minerals DATE MAR 22 2001

*See Instructions on Reverse Side

APPROVED FOR 1 YEAR

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.



DISTRICT II
P.O. Drawer DD, Artesia, NM 80211-0719

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

DISTRICT IV
P.O. BOX 3088, SANTA FE, N.M. 87504-3088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		86500	Turkey Track Morrow, North	
Property Code	Property Name		Well Number	
22129 25523	EMPIRE 20 FEDERAL COM		2	
OGED No.	Operator Name		Elevation	
162683	GRUY PETROLEUM MANANGEMENT CO.		3513	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	18S	29E		660	SOUTH	1650	EAST	EDDY

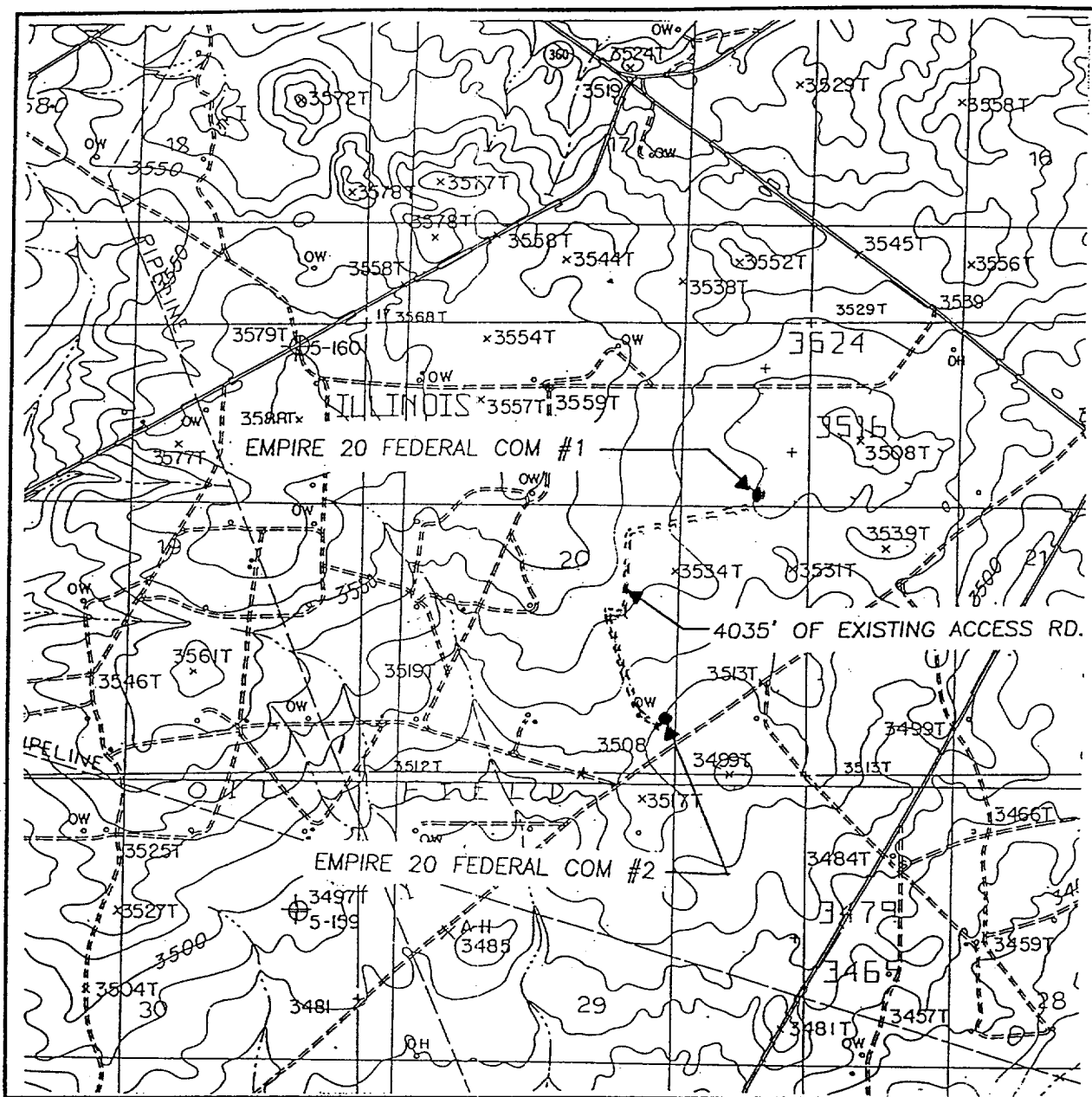
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code		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

	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center; font-size: 1.2em;"><i>Zeno Farris</i></p> <hr/> <p>Signature</p> <hr/> <p>Zeno Farris</p> <hr/> <p>Printed Name</p> <hr/> <p>Mgr. Operations Admin.</p> <hr/> <p>Title</p> <hr/> <p>January 26, 2000</p> <hr/> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p style="text-align: center; font-weight: bold;">JANUARY 17, 2000</p> <hr/> <p>Date Surveyed LMP</p> <hr/> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> <p><i>Ronald J. Eidson</i> 01-21-2000</p> <p>00-11-0059</p> </div> <hr/> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12185</p> </div>
--	---

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
ILLINOIS CAMP NE - 5'

SEC. 20 TWP. 18-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 1650' FEL

ELEVATION 3513

GRUY PETROLEUM
OPERATOR MANAGEMENT COMPANY

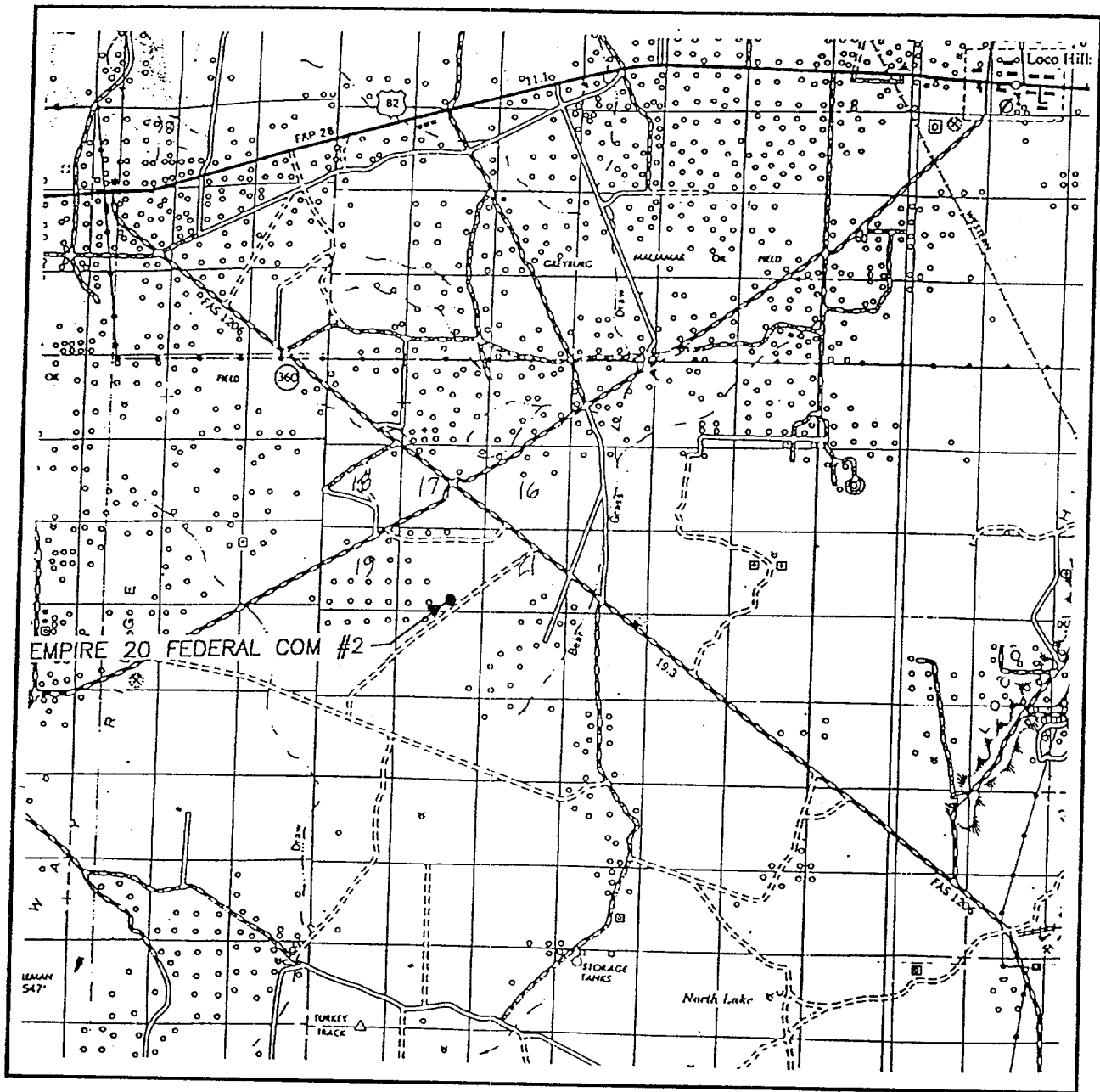
LEASE EMPIRE 20 FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

ILLINOIS CAMP NE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 20 TWP. 18-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 1650' FEL

ELEVATION 3513

GRUY PETROLEUM
OPERATOR MANAGEMENT COMPANY

LEASE EMPIRE 20 FEDERAL COM

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)

Operator - Landowner Agreement

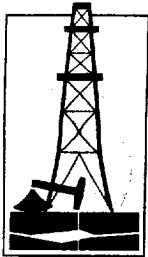
Company: Gruy Petroleum Management Co.
Proposed Well: Empire "20" Federal Com No. 2
Federal Lease Number: LC - 067132

This is to advise that Gruy Petroleum Management Co. has an agreement with: Boegle Farms, P.O. Box 460, Dexter, NM 88230-0460, the surface owner, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and levelled, and all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

2/14/00
Date

Zeno Farris
Signature Zeno Farris
Manager, Operations Administration



Gruy Petroleum Management Co.

600 East Las Colinas Blvd. • Suite 1100 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management
2909 West 2nd Street
Roswell New Mexico 88201-2019
Attn: Ms. Linda Askwig

Gruy Petroleum Management Co. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: LC - 067132

Legal Description: E/2 Sec 20, T18S-R29E
Containing 320.00 acres, Eddy County New Mexico

Formation (S): Atoka - Morrow

Bond Coverage: Nationwide BLM Bond

BLM Bond File No.: NM 2575

Authorized Signature: Zeno Farris
Representing Gruy Petroleum Management Co.

Name: Zeno Farris

Title: Manager, Operations Administration

Date: 02/11/00