r.				
Form 3160-3		N. M. OI COMPANY	DIDI ICAT	RM APPROVED
(July 1992)	UNITED STATES	L 2 E L 4 L 7 L 2		3 NO. 1004-0136 : February 28, 1995
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	EAU OF LAND MANAGE		LC - 06713	32
AP	PLICATION FOR PERMIT T		6. IF INDIAN, ALLOTT	ES OR TRIBE NAME
1a. TYPE OF WORK			7. UNIT AGREEMEN	
	GAS X WELL OTHE		SCR - 150	
2. NAME OF OPERATOR		N ZUNE FREE ZONE		255d
Gruy Petroleum	- 10040	3 5	9. API WELL NO.	0 Federal Com 2
3. ADDRESS AND TELEPHO		(2 Mar 10)	30-015-	31041
P.O. Box 140907	Irving TX 75014 972-401-311	TELEIVER	10. FIELD AND POOL	OR WILDCAT
4. LOCATION OF WELL	(Report location cleany and in accordance wit	ARTESIA		k, Morrow North
			11. SEC. T.,R.,M., BL	OCK AND SURVEY
660' FSL & 1650)'FEL $()$ $()$ $()$ $()$	0/68296VS	OR AREA Sec.	20 T18S R29E
	RECTION FROM NEAREST TOWN OR POST OFFIC		12. COUNTY OR PAR	
	st of Artesia New Mexico		Eddy	NM
15. DISTANCE FROM PROP LOCATION TO NEA	REST	16. NO. OF ACRES IN LEASE	TO THIS WELL	
PROPERTY OR LEAS (Also to nearest drig. unit)	- 660	160	320	Pot 7-241X
18. DISTANCE FROM PROP		19. PROPOSED DEPTH	20. ROTARY OR CABLE TO	1057 2 21 00 DOLS
OR APPLIED FOR, ON		11,500		
	2820'	11500'	Rotary	
21. ELEVATIONS (Show whe 3513'	ther DF, RT, GR, etc.)		22. APPROX. DATE W 3-15-00	ORK WILL START
23	PROPOSED CA	SING AND CEMENTING PROCE	TAN CONTROLI	WATER BARM
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
17-1/2"	H-40 13 3/8" K-55 8 5/8"	48 #	400' 3200'	465741176200
<u>11"</u> 7 7/8"			11500'	995 sx circulate 860 sx TOC 8500'
	│		1	1
• •	e surface pipe through the run			
ystem.				, , , , , , , , , , , , , , , , , , ,
		APPROVAL	SUBJECT TO	
		GENERAL F	REQUIREMENTS AN	D
		SPECIAL S	TIPULATIONS	
		ATTACHED		
	ESCRIBE PROPOSED PROGRAM: pen directionally, give pertinent data on sub			
signed	Zeno Forni	рн: 972-401-3111 о ТІТLE Mgr. Ops. Admin		02-11-00
(This space for Federal or State of	fice use)			
PERMIT No.		APPROVAL	DATE	
Application annroval does not were	and or certify that the annicant hours least or activision to			
CONDITIONS OF APPRO			eld Manager, DATE	MAR 2 2 2000

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United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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DISTRICT I P.O. Box 1980, Habba, NK 88341-1980

DISTRICT II P.O. Drawer DD, Artonia, NM 56211-0719

DISTRICT III 1000 Rio Brazos Ed., Axtee, NM 87410

DISTRICT IV P.O. BOX 2006, SANTA FX, N.M. 87504-2068

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 Foe Lease - 3 Copies

OIL CONSERVATION DIVISION P.0. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

B6500 Turkey Track Morrow, North Property Same OWNER 20 FEDERAL COM 2 Ownerse Same OWNER 20 FEDERAL COM 2 Ownerse Same OWNER 20 FEDERAL COM 2 Ownerse Same OWNER 20 FEDERAL COM 2 Description OWNER 20 FEDERAL COM 2 Description OWNER 20 FEDERAL COM Description OWNER 20 FED NEW MANANGEMENT CO. South Manage Description Description <td colspan<="" th=""><th>API Number</th><th></th><th></th><th>Pool Code</th><th></th><th></th><th></th><th></th><th>Pool Name</th><th>.<u></u></th><th></th></td>	<th>API Number</th> <th></th> <th></th> <th>Pool Code</th> <th></th> <th></th> <th></th> <th></th> <th>Pool Name</th> <th>.<u></u></th> <th></th>	API Number			Pool Code					Pool Name	. <u></u>	
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LOCATION VERIFICATION MAP



DESCRIPTION 660' FSL & 1650' FEL

OPERATOR <u>MANAGEMENT COMPANY</u> LEASE <u>EMPIRE 20 FEDERAL</u> COM

U.S.G.S. TOPOGRAPHIC MAP ILLINOIS CAMP NE, N.M.

ELEVATION _____

3513

GRUY PETROLEUM

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



SEC. <u>20</u> TWP. <u>18</u>—S RGE. <u>29</u>—E SURVEY <u>N.M.P.M.</u> COUNTY <u>EDDY</u> DESCRIPTION <u>660' FSL & 1650' FEL</u> ELEVATION <u>3513</u> GRUY PETROLEUM OPERATOR <u>MANAGEMENT COMPANY</u> LEASE <u>EMPIRE 20 FEDERAL COM</u> SCALE: 1" = 2 MILES

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

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

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

Formation (S): Atoka - Morrow

Bond Coverage: Nationwide BLM Bond

BLM Bond File No.: NM 2575

Zemo Fanis Authorized Signature:

Representing Gruy Petroleum Management Co.

Name: Zeno Farris

Title: Manager, Operations Administration

Date: 02/11/00