

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

157

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

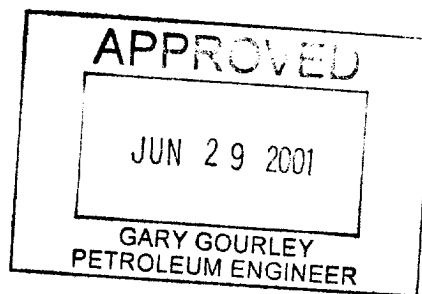
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC-067132
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972-401-3111	7. If Unit or CA/Agreement, Name and/or No. SCR - 150
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 1650' FEL Sec. 20 T18S - R29E		8. Well Name and No. Empire 20 Federal Com 2
		9. API Well No. 30-015-31046
		10. Field and Pool, or Exploratory Area Turkey Track, Morrow North
		11. County or Parish, State Eddy Co. NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Squeeze Atoka</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Frac Morrow</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Well is currently dual in Atoka/Morrow. Propose to squeeze Atoka perms w 100 sx Class H, according to attached procedure. Fracture treat Morrow formation and bring on line.



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Zeno Farris	Title Manager Operations Administration
Signature <i>Zeno Farris</i>	Date June 22, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	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.		
Office		

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 Company

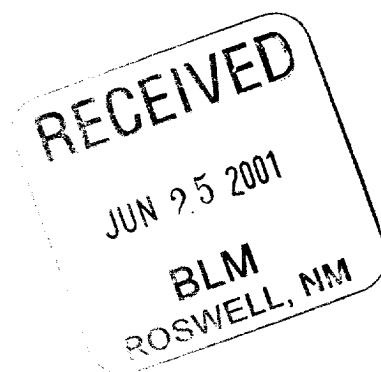
Empire 20 Fed Com #2

History

Location: 660' FSL, 1650' FEL, Sec 20, T-18-N, R-29-E
Eddy Co., NM
Elevation: KB 3530', 17' above GL.
Spudded: 4-17-2000
TD: 11300'
PBSD: 11254'
Surface Casing: 13-3/8", 48#, H-40 @ 404', cmt w/ 375 sx. Circulated to surface.
Intermediate Casing: 8-5/8", 32#, J-55 @ 3230', cmt w/ 1950 sx. Circulated to surface.
Production Casing: 5-1/2", 15.5#, S-95 & N-80 @ 11300', cmt 1st stage w/ 445 sx. DV tool @ 6998'.
Cmt 2nd stage w/ 500 sx.

Procedure

1. MIRU pulling unit. Install BOP. Kill well with 7% KCl water if necessary (all kill and spot fluids to be 7% KCl). POOH with tubing and packer. Lay down tubing.
2. Run 2-7/8", N-80 workstring with RBP. Set RBP at 10,750' and dump 2 sx sand on top. POOH with tubing.
3. Run tubing with cement retainer. Set retainer at 10,620'. Squeeze Atoka perms 10658'-70' with 100 sx class H cement. Let cement set 48 hours. POOH with tubing.
4. Run tubing with bit and drill collars. Drill out cement retainer and cement. Test squeeze to 2000 psi. POOH with tubing. Run tubing, wash sand off bridge plug and retrieve RBP.
5. RIH with tubing and overshot and latch onto fish. Rig up wireline and chemically cut tubing just above the on/off tool. POOH with tools and fish. Lay down 2-7/8" workstring.
6. Run 3-1/2" workstring and packer and set packer at 11,000'.
7. Halliburton frac perms. Exact design to be determined.
8. Flow back well. Pull 3-1/2" workstring and run 2-3/8" production string and packer. Set packer at 11,000'.



Empire 20 Fed Com #2

660' FSL & 1650' FEL

Sec 20, T18S, R29E

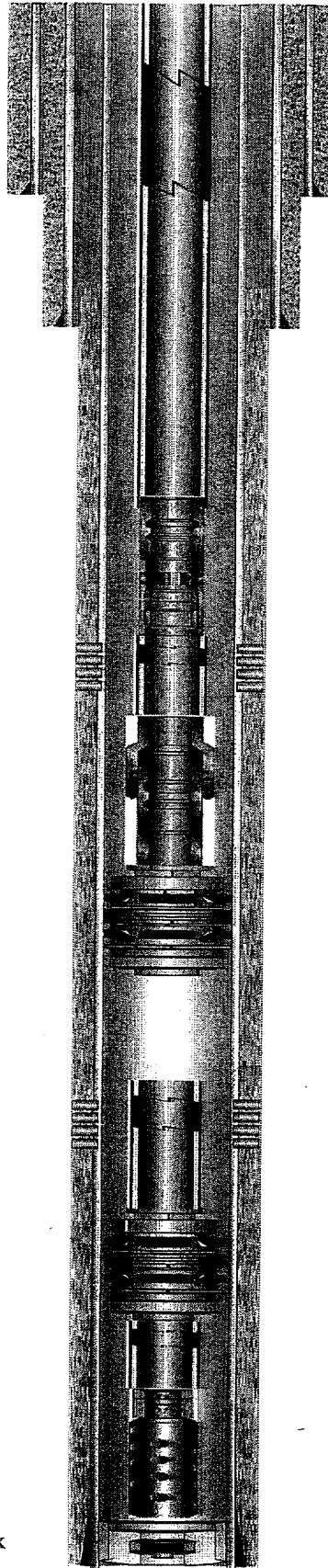
Eddy Co., NM

KB 3530', 17' AGL

13-3/8", 48# @ 404', cmt w/ 375 sx
cmt circulated

8-5/8", 32 # @ 3230', cmt w/ 1950 sx
cmt circulated

DV tool @ 7000', cmt w/ 500 sx
TOC 3050'



Atoka Perforations 10658'-70' w/ 6 spf

Production assembly consists of:

2-3/8" tubing	
Sliding sleeve	10724'
2-3/8" tubing	
Profile nipple (1.875")	10960'
2-3/8" tubing	
Guiberson on/off tool	10993'
Guiberson Uni VI packer	11000'
1.791" No-Go and sub	11009'

Morrow Perforations 11137'-50' w/ 6 spf

Top of fish at 11115'.

Fish consists of 47' of 2-3/8" tubing, on/off tool,
PLS packer, and PowerPerf guns and accessories

Top of plug in on/off tool at 11162'.

Bottom of fish at 11247'

FC @ 11247'

5-1/2", 17# @ 11300', cmt w/ 445 sx
cmt circ. to DV tool

RECEIVED

JUN 25 2001

BLM
ROSWELL, NM

AUTHORITY FOR EXPENDITURE

Addendum:

Project Description: Squeeze off Atoka perms and frac Morrow.

	<u>Workover</u>
Days	10
This AFE	<u>\$ 177,100</u>
Prior AFE's	<u>\$ -</u>
Total Cost	\$ 177,100

Owner Number	Participant	Working Interest	Total
45	Magnum Hunter Production, Inc.	100.0000%	\$ 177,100.00
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
	AFE Total	100.0000%	\$ 177,100.00

Date _____

No:

Costs shown on this form are estimates only. Non-operators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

RECEIVED
JUN 25 2001
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ROSWELL, NM

GRUY PETROLEUM MANAGEMENT CO.

AUTHORITY FOR EXPENDITURE

Well Name/Project: Empire 20 Fed Com #2	Date: June 21, 2001
Location: 660' FSL & 1650' FEL, Sec 20, T18N, R29E	Prepared By: James N. Howell III
County, State: Eddy, New Mexico	AFE Number: 0
Project Description: Squeeze off Atoka perms and frac Morrow.	

ACCT	Workover Expense	AMOUNT
800.05	Lease Acquisition Cost	
870.10	Damages	
870.12	Dirt Work, Roads, Cleanup	
870.24	Rig / Well Service Unit Estimated Days on Location: 10	\$ 20,000.00
870.25	Miscellaneous Supplies	
870.30	Fuel, Power and Lube Oils	
870.31	Water & Water Hauling	\$ 5,000.00
870.32	Transportation	\$ 3,000.00
870.40	Chemicals	
870.52	Wireline Services	\$ 5,000.00
870.60	Cement & Cementing	\$ 10,000.00
870.61	Casing Crews & Tools	
870.70	Equipment Rental	\$ 10,000.00
870.72	Fishing Tools and Services	
870.73	Coiled Tubing Unit and Services	
870.74	Acidizing / Fracturing	\$ 100,000.00
870.75	Perforating	
870.76	Frac Tanks	\$ 2,000.00
870.77	Frac Oil	
870.78	Roustabouts	
870.80	Contract Labor / Welding	
870.81	Supervision - Company	
870.82	Supervision - Contract	\$ 6,000.00
870.84	Engineering / Geological	
870.85	Overhead	
870.95	Misc. & Contingencies (10%)	\$ 16,100.00
TOTAL EXPENSE:		\$ 177,100.00

EQUIPMENT:

840.12	Production Casing:	Size/Grade:	Ft. @	/Ft.	\$ -
840.13	Tubing:	Size/Grade:	Ft. @	/Ft.	\$ -
840.24	Rods:				
840.50	Flowline				
840.20	Wellhead Equipment				
840.22	Misc. Valves, Fittings and Pipe				
840.23	Subsurface Equipment (BH Pump, Packer, etc.)				
840.60	Tanks:				
840.30	Treater:				
840.31	Separator				
840.36	Gas Processing Unit / Sweeteners				
840.37	Safety Equipment				
840.21	Pumping Unit & Power				
840.65	Electrical Installation				
840.71	Miscellaneous Equipment (Fences, Culverts, Tools)				
840.80	Construction / Installation				
840.90	Contingency Cost (10%)				\$ -
TOTAL EQUIPMENT:					\$ -
TOTAL WORKOVER:					\$ 177,100.00

JUN 9 5 2001

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ROSWELL, N.M.