

Submit 3 Copies to
Appropriate Dist. Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Revised 1-1-09

CISF

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

INSTRUCTIONS ON REVERSE
SIDE

JP

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

This form is not to be used for
reporting packer leakage tests in
Northwest New Mexico

SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST

Operator <u>Gray Petroleum Management Co</u>		Lease <u>Empire 20 Fed Com</u>			Well No. <u>2</u>
Location of Well	Unit <u>0</u>	Sec. <u>20</u>	Twp <u>18 S</u>	Rge <u>29 E</u>	County <u>Eddy</u>
Name of Reservoir or Pool		Type of Prod. (Oil or Gas)	Method of Prod. Flow, Art Lift	Prod. Medium (Tbg. or Csg)	Choke Size
Upper Compl	<u>Atoka</u>	<u>Gas</u>	<u>Cemented</u>	<u>Casing</u>	<u>NA</u>
Lower Compl	<u>Morrow</u>	<u>Gas</u>	<u>Flow</u>	<u>Tubing</u>	<u>F/O</u>

FLOW TEST NO. 1

Both zones shut-in at (hour, date): No test required. Atoka cement squeezed. See attached

Well opened at (hour, date): _____

Indicate by (X) the zone producing.....

Pressure at beginning of test.....

Stabilized? (Yes or No).....

Maximum pressure during test.....

Minimum pressure during test.....

Pressure at conclusion of test.....

Pressure change during test (Maximum minus Minimum).....

Was pressure change an increase or a decrease?.....

Well closed at (hour, date): _____

Oil Production _____ Gas Production _____
During Test: _____ bbls; Grav. _____ During Test _____ MCF; GOR _____

Remarks _____



FLOW TEST NO. 2

Well opened at (hour, date): _____

Indicate by (X) the zone producing.....

Pressure at beginning of test.....

Stabilized? (Yes or No).....

Maximum pressure during test.....

Minimum pressure during test.....

Pressure at conclusion of test.....

Pressure change during test (Maximum minus Minimum).....

Was pressure change an increase or a decrease?.....

Well closed at (hour, date): _____

Oil production _____ Gas Production _____
During Test: _____ bbls; Grav. _____ ; During Test _____ MCF; GOR _____

Remarks _____

OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the information contained herein is true and completed to the best of my knowledge

Gray Petroleum Management Co
Operator

Mike Braswell
Signature

Mike Braswell Production Superintendent
Printed Name Title

OIL CONSERVATION DIVISION

Date Approved OCT 16 2002

By Field Rep II



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

8/17/01

Gruy Petroleum Management Co.
P.O. Box 140907
Irving, Texas 75014-0907

Dear Sirs:

A segregation and/or packer leakage test is to be filed with this office annually. Please test the subject well(s) and send the results no later than 15 October, 2002.

Please notify this office 72 hours prior to the test in order that our representative may be present to witness the test.

SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST forms should be submitted in triplicate. Please send the original and two copies of the test chart.

If you no longer operate the well(s) listed, or have received a down hole commingle permit please contact me at 505-748-1283.

Well	LOCATION	API #
EMPIRE 20 FEDERAL COM #002	O-20-18S-29E	30-015-31046
STATE 14 COM #001	E-14-19S-29E	30-015-22747
GULF FEDERAL COM #002	6-06-23S-27E	30-015-20545



In the event that a satisfactory response is not received to this letter 15 October, 2002, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II



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 subsidiary of Magnum Hunter Resources, Inc. • A NYSE Listed Company • "MHR"

August 6, 2002

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201-2019

This sent in on August 6th.

Re: Empire 20 Federal Com 2
Sec 20, 18S-29E
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed are one original and five copies of BLM Form 3160-5 for the squeeze and frac job on the referenced well. We apologize for the late notice of this procedure. If you have any questions or need additional information, please feel free to call the undersigned at 972-443-6489.

Sincerely,

Zeno Farris
Manager, Operations Administration

CC Oil Conservation Division
1301 W Grand
Artesia, New Mexico 88210
Attn: Van Barton & Carmen Reno



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.
LC-067132

6. If Indian, Allottee or Tribe Name

7. If Unk or CA/Agreement, Name and/or No.
SCR - 150

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

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

3b. Phone No. (include area code)
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 1650' FEL Sec. 20 T18S - R29E

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 recomplete 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.)

Squeezed Atoka perms w 100 sx Class H, Fracture treated Morrow formation and brought on line.
See Attached detailed procedure.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Zeno Farris

Signature
Zeno Farris

Title
Manager Operations Administration

Date
August 5, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Office _____

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.

(Instructions on reverse)

Gruy Petroleum Well History Report

WellNo 75261 **State:** NM
WellName Empire 20 Federal Com #2 **County** EDDY
Operator Gruy Petroleum Management Inc.
API No 30-015-31046

ReportDat **ReportText**

6/28/01 MIRU WOU. 500# TP. 300# CP. Bleed pressure off well. Pump 40 bbls 7% KCL wtr down tbg & 45 bbls down csg. ND tree. NU BOP. Release 5 1/2" Uni III pkr & POOH LD production string. Move production string off racks & off-load 2 7/8" workstring. SWIFN.

6/29/01 PU RBP, packer, & 2 7/8" N-80 tbg & RIH to 10,750' & set RBP. Set packer & test to 2000#. Spot 2 sx sand & establish inj rate .25 BPM @ 1650#. POOH. SWIFN.

8/30/01 RIH w/ cement retainer. Pump 60 bbls 7% KCL thru retainer. Set retainer @ 10,620' & test tbg to 4000#. Pull out of retainer & pump until well circulated fluid. Sting into retainer & establish inj rate (.75 BPM @ 2600#). Pull out of retainer & mix 100 sx Class H cmt. 22 bbl slurry & spot @ 10,300'. Sting into retainer. Pump 5 bbls cmt slurry into formation. Pressured up to 3500#. SD. Washed pump & lines 10 min. Resume pumping. Pump 5 bbl slurry, pressure to 4040#. Pulled out of retainer. Reversed out 77 sx Class H cmt. POOH w/ 10 jts. RD Halliburton. SWIFN. Total sx into formation 18.2 sx, 5.5 bbls slurry. Sqzd to 4040#.

7/2/01 Swap out PU. RU. POOH w/ tbg & stinger. RIH w/ 4 3/4" bit & 6 - 3 1/2" drill collars & 2 7/8" work string. Tag up @ 10,817'. RU Star Tool. SWIFN.

7/3/01 Drill cement retainer & cement to 10682'. Pressure up on well to 2000# to test sqz. Held pressure for 5 min - ok. Circ sand off RBP. Pull 5 stands. SWI. Crew stayed to change out bad tubing line.

7/5/01 POOH w/ tbg & BHA for drill-out. Lay down BHA. RIH w/ retrieving head. Tag sand & circulate 232 bbls 7% KCL. Released RBP. POOH. SWIFN.

7/6/01 RIH with overshot and tubing, tag fish @ 11115'. RU wireline to 11,159', chemical cut 2-2/8 tubing @ 11,158'. POOH with fish, laying dn. Workstring. Recovered 41.60' 2-3/8 tubing. Top 2-3/8 in well 11,156.60'. SWISD

7/9/01 PU 5 1/2 x 15.5 x 2 3/8" Guiberson Unit VI packer w/ 1.875 profile. XL on/off tool w/ 1.791 NoGo on bottom of packer & test to 9000#. PU & test 3 1/2" workstring. SWIFN.

7/10/01 Continue testing in hole w/workstring. Set packer @ 19826'. ND BOP & NU frac stack. Test held OK. Test packer to 1000# for 5 minutes - held OK. SWI. RDMO. Frac on Saturday.

7/14/01 MIRU WOU. RU Halliburton to fracture stimulate the Morrow w/ 20,000 gallons of waterfrac H 45 foamed to 65 quality w/ CO2 carrying 18,000# 20/40 interprop.

Stage	Fluid	Conc	Rate	psi @ perms
Pad	65QWF45		26 BPM	8450#
SLF	65QWF45	5-4% 20/40	21 BPM	8457#
Flush	65QWF45		19.6 BPM	8448#

ISIP 3755#, 5 min 2718#, 10 min 2355#, 15 min 2023#. Total load 219 bbls. 18,000# 20/40 Interprop. RD Halliburton. Flowback well w/ 1500# TP.

7/15/01 Flowback to pit.

7/16/01 See Production Watch Report.

