

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Gruy Petroleum Management Co. | | 7. If Unit or CA/Agreement, Name and/or No. Pending |
| 3a. Address P. O. Box 140907 Irving, TX 75014-0907 | 3b. Phone No. (include area code) 972-401-3111 | 8. Well Name and No. Magnum Federal 5 Com No. 2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 1650' FEL Sec. 5 T18S R31E 47.0 | | 9. API Well No. 30-015-31570 |
| | | 10. Field and Pool, or Exploratory Area Undes. Shugart, 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 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input 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 type="checkbox"/> Other |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recompleat 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 recompleat 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.)

Due to rig restrictions plan to use 3000 psi BOP from base of surface pipe to base of 8 5/8 @ 3200', and 5000 psi from base of 8 5/8" through running of production casing to 12,500'.

| | |
|--|--|
| 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 January 30, 2001 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------|---------------------|
| Approved by (ORIG. SGD.) DAVID R. GLASS | Title PETROLEUM ENGINEER | Date FEB 13 2001 |
| 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.

RECEIVED

FEB 06 '01

BLM
RSM