

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

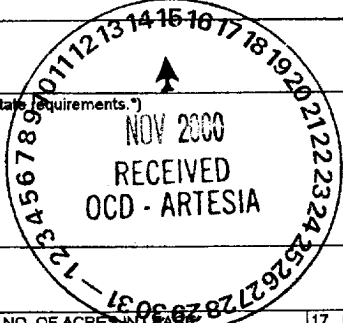
N. M. Oil Cons. Div.  
811 S. 13th St.  
ARTESIA, NM 88210-2004  
SUBMIT IN TRIPLICATE  
(Indicate all corrections on reverse side)

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

C/hf

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME NMNM 84597 31499	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL WELL OTHER ZONE ZONE		8. FARM OR LEASE NAME, WELL NO. North Shugart Federal No. 2	
2. NAME OF OPERATOR Gruy Petroleum Management Co. 162683		9. API WELL NO. 30-015- 31459	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		10. FIELD AND POOL, OR WILDCAT Shugart Morrow, North	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) 990' FSL & 990' FEL Unit P		11. SEC. T., R., M., BLOCK AND SURVEY OR AREA Sec. 17 T18S R31E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles Southeast of Loco Hills		12. COUNTY OR PARISH Eddy	13. STATE NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drlg. unit line, if any) 990'	16. NO. OF ACRES IN LEASE 120	17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,333.45	19. PROPOSED DEPTH 12500'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3641'		22. APPROX. DATE WORK WILL START* 12-15-00	



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 #	600'	465 sx circulate ✓
11"	K-55 8 5/8" 1370	24 # 2950	3200'	995 sx circulate ✓
7 7/8"	N-80/S-95 5 1/2" 6280	17 # 7740	12500'	950 sx TOC 8500'

The proposed well will be drilled to a depth of 12500' and completed as a Shugart Morrow North 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

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 TITLE Mgr. Ops. Admin DATE 10-13-00

(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 Assistant Field Manager TITLE Lands And Minerals DATE \_\_\_\_\_

\*See Instructions On Reverse Side

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.

APPROVED FOR 1 YEAR