

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.

N.M. DIV-Dist. 2

1301 W. Grand Avenue
Artesia, NM 88210

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

☐ 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)

972-401-3199 - ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

900' FNL & 1200' FWL Sec. 11 T24S - R26E

5. Lease Serial No.
LC 064200

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM94531

8. Well Name and No.

O'Neill Federal No. 2

9. API Well No.

30-015-32237

10. Field and Pool, or Exploratory Area
South Carlsbad, Morrow

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 checked="" type="checkbox"/> Other <u>Set Surface and Intermediate Casing</u>	
	<input 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.)

01/02/03 Spud well. Drill to 445'. Ran 10 jts 13 3/8" casing to 445'. Lead with 340 sx of lead and tailed with 150 sx. Circulated 137 sx to pit. WOC 24 hours.

01/08/03 Drill to 3235'. Ran 74 jts of 9.675"/40/J/LTC Casing. Lead with 1000 sx, tailed with 200 sx. Circulated 162 sx cement to reserve pit. WOC 19 hours.

Please see attached drilling report.

ACCEPTED FOR RECORD

FEB 11 2003

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

Name (Printed/Typed)

Natalie Krueger

Title

Production Assistant

Signature

Date

February 7, 2003

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.

(Instructions on reverse)

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2003 FEB 10 AM 10:09
BUREAU OF LAND MGMT
ROSWELL OFFICE

Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

January 3, 2003 Thru January 9, 2003

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

76742 ONEILL FEDERAL 2

EDDY, NM W.I. Pct BCP 85.94 %

W.I. Pct ACP 85.94 %

Morrow / 12,000'

01/03/2003

Depth 445

Progress 445

AFE: 22039 Present Operation: NU BOP Stack

Spud & drill to 260', lost partial returns at 170', mix paper & maxi seal for seepage; WLS 215' = 25 deg; drlg to 445' with 80-90% returns; CIRC; drop survey tool & TOH for casing; run 10 jts 13-3/8" casing to 445'; CIRC; cmt w/340 sx of lead & 150 sx of tail, CIRC 137 sx to pit; WOC; cut conductor & casing; weld on wellhead, test to 600#, good test; NU BOP & rotatinghead.

01/04/2003

Depth 965

Progress 520

AFE: 22039 Present Operation: Drlg

Nipple up BOP stack and install Williams rotatinghead. Fabricate flowline. Test blind rams and casing to 500 psi. No leakoff. Make up BHA and trip in hole to float collar at 399'. Test pipe rams, casing, and annular preventer to 500 psi. Good test. Drill float collar, hard cement, and TP Guide shoe at 445'. Drilling formation from 445' - 965'. Daily ROP - 34.7'/hr. Drilling light in salt / anhydrite stringers. Wireline Survey at 889' - 1 degree.

01/05/2003

Depth 1,390

Progress 425

AFE: 22039 Present Operation: Drlg

Drilling from 965' - 1046'. Pump pressure erratic and ROP dropping. Trip out of hole and change out motor and make up new bit. Seals on motor bad and one cone on milltooth bit was loose. Trip in hole to 1046'. Drilling from 1046' - 1247' with 30K WOB in anhydrite and 10K WOB in salt. Drilling mostly anhydrite. Wireline Survey at 1197' - 1.25 degrees. Drilling from 1247' - 1390' with 30K WOB and 55 RPM on rotary in anhydrite and 10K WOB in salt.

01/06/2003

Depth 1,825

Progress 435

AFE: 22039 Present Operation: Drlg

Drilling from 1390' - 1629' with 40K WOB and 50 RPM rotary. Wireline Survey at 1549' - 1.25 degrees. Drilling from 1629' - 1825' with 45 - 50K WOB and 50 RPM. Daily ROP - 18.5'/hr drilling 100% Anhydrite in last 24 hrs.

01/07/2003

Depth 2,495

Progress 670

AFE: 22039 Present Operation: Drlg

Drilling from 1835' - 2136' with 50K WOB and 50 RPM. Wireline Survey at 2050' - 1 degree Drilling from 2136' - 2495' with 50K WOB in anhydrite and 10K in salt stringers at 50 RPM. Daily ROP - 28.5'/hr./ Cum ROP - 22.2'/hr. Lithology 70% Anhydrite / 30% Salt from 1950' to 2495'.

01/08/2003

Depth 3,121

Friday, 7 February, 2003

ONEILL FEDERAL 2

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AFE: 22039 Progress 626
Present Operation: Drlg

Drilling from 2495' - 2644' with 55K WOB and 50 RPM. Wireline Survey at 2550' - One degree.
Drilling from 2644' - 3089' with 30K WOB in salt and 55K WOB in Anhydrite at 50 RPM rotary.
Wireline Survey at 3015' - 1.75 degrees. Drilling from 3089' - 3121' with 30K WOB and 50 RPM. Daily
ROP - 27.2'/hr / Cum ROP - 23.6'/hr. Ran Fluid Caliper at 3100' and calculate to 3235'. Total annular
volume - 2111 cubic feet w/ 108% washout.

01/09/2003 Depth 3,235
Progress 114
AFE: 22039 Present Operation: PU BHA

Drilling from 3121' - 3235'. TD Intermediate hole. Circulate sweep around to pit. Drop survey tool and
trip out of hole for casing. No drag on trip out of hole. Rig up casers and run FS, FJ, FC, and 74 jts
of 9.675"/40/J/LTC casing to 3235'. Tag bottom with no fill and hook up cementhead. Circulate and
condition. Hook up Halliburton. Cement with 1000 sx Lead, 200 sx Tail, and displace with 242 bbls of
FW. Bumped plug and floats held. Circulated 162 sx of cement to reserve pit. Nipple down BOP, pick up
stack, and set slips with string weight of 80K. Cut and dress casing stub and nipple up B section. Test
to 2000 psi. Nipple up BOP stack and flowline. Test BOP equipment to 250 / 5000 psi. Tested annular to
250 / 2500 psi. Pick up BHA and trip in hole.

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