

UNITED STATES
DEPARTMENT OF THE INTERIOR

C. Cons.
N.M. DIV. DIST

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

0135

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.

1301 W. Grand Avenue
Artesia, NM 88210

File Serial No.
LC 064200

SUBMIT IN TRIPLICATE - Other instructions on reverse side

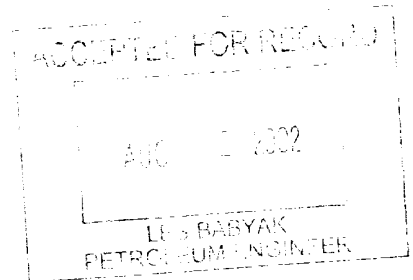
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Gruy Petroleum Management Co.		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972-401-3111	8. Well Name and No. O'Neill B Federal #2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 660' FEL Sec. 10 T24S - R26E		9. API Well No. 30-015-32239
		10. Field and Pool, or Exploratory Area Carlsbad; Morrow, South (Gas)
		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>Production csg.</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 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.)

See Attached



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Natalie Krueger	Title Production Assistant
Signature <i>Natalie Krueger</i>	Date July 30, 2002

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.

- 05/20/02 - RU Casing crew & ran 279 jts. 5 1/2" P-110HC & N-80 casing set at 11,900' - top of FC @ 11,584.38' DV tool @ 6,993' to 6,995' - ran 20 centralizers: 11,885', 11,810', 11,731', 11,642', 11,554', 11,465', 11,388', 11,300', 11,212', 11,127', 11,039', 10,911', 10,780', 10,647', 10,515', 10,395', 10,263', 9,477', 7,037', & 6,950'. RU Halliburton & circulate to clear casing.
Halliburton cemented 1st stage lead with 300 sx Interfill "H" & tailed in with 400 sx Super "H" Cement + 1% salt + .4% CFR-3 + .4% LAP-1 + .25 lbm/sx D-Air 3000 - plug down at 11:40 PM 05/20/02. Bumped plug with 1,950# - floats held ok. Dropped bomb & opened DV tool w/ 750# pressure at 12:17 AM 05/21/02 - circulated through DV tool. Halliburton cementing 2nd stage lead with 640 sx Interfill "H" & tailing in with 100 sx Premium Cement at report time.
Note: No cement circulated from 1st stage while circulating through DV tool.
- 05/21/02 - Displaced 2nd stage with 162 bbls. fresh water - lost returns with 90 bbls. into the displacement with 223 bbls. of the 295 bbls. of cement on the back side above the DV tool. Plug down & closed the DV tool with 2,600# pressure at 5:28 AM 05/21/02 - held OK.
ND & PU BOP - set 5 1/2" casing slips in 200,000# - cut off 5 1/2" casing - LD BOP - installed an 11" 5,000# X 7 1/16" 5,000# tubing spool & tested to 4,000# - OK - bolted plate to top of tubing spool to secure well - jetted & cleaned steel pits. Released Patterson - UTI Rig #80 to go to the White Baby Com #3 at 9:00 AM 05/21/02.
RDI Patterson-UTI Rig #80.