

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 040547	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL WELL OTHER ZONE <input type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Gruy Petroleum Management Co. 162683		7. UNIT AGREEMENT NAME SW - 550	
3. ADDRESS AND TELEPHONE NO. P.O. Box 140907 Irving TX 75014 972-401-3111		8. FARM OR LEASE NAME, WELL NO. 29002 Gulf Federal Com 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) 1100' FNL & 1980' FWL		9. API WELL NO. 30-015- 32288	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drlg. unit line, if any) 1100'		10. FIELD AND POOL, OR WILDCAT Carlsbad; Morrow, South (Gas)	
16. NO. OF ACRES IN LEASE 560		11. SEC. T., R., M. BLOCK AND SURVEY OR AREA Sec. 1, T23S R26E	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		12. COUNTY OR PARISH Eddy	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2200'		13. STATE NM	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3231 GR		22. APPROX. DATE WORK WILL START 6-01-02	

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 #	428' 575'	490 sx circulate
11"	K-55 8 5/8"	24 #	3200'	1200 sx circulate
7 7/8"	N-80/S-95 5 1/2"	17 #	13500'	1620 sx TOC 2700'

The proposed well will be drilled to a depth of 13500' and completed as a Carlsbad Morrow South 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
ATTACHED**

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 [Signature] TITLE Mgr. Ops. Admin DATE 04-08-02

(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: ACTIVE
APPROVED BY /S/ JOE G. LARA TITLE FIELD MANAGER DATE MAY 01 2002

*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.

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