

5 LEASE DESIGNATION AND SERIAL NO.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

SRM - 1115

8. FARM OR LEASE NAME, WELL NO.

Pennzoil Federal Com No. 2

9. API WELL NO.

30-015-32485

10. FIELD AND POOL, OR WILDCAT

White City; Penn (Gas)

11. SEC., T., R., M., ON BLOCK AND SURVEY
OR AREA

Sec 15 T-24S- R-26E

12. COUNTY OR
PARISH
Eddy

13. STATE
NM

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
09-04-02	10-04-02	11/25/02	3300' GR	

20. TOTAL DEPTH, MD & TVD 11950'	21. PLUG, BACK T.D., MD & TVD 11904'	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS All	CABLE TOOLS
-------------------------------------	---	--------------------------------------	-----------------------------	---------------------	-------------

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* White City; Penn	25. WAS DIRECTIONAL SURVEY MADE Yes
---	--

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Spaced Neutron GRL, Dual Laterlog Micro Guard, Cement Bond Log

27. WAS WELL CORRED
No

28. **CASING RECORD** (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 - 3/8" H-40	48 #	445'	17-1/2"	540 sx C 8% gel circ 60 sx to pit	
9-5/8" J-55	36 #	3220'	12 1/4"	1350 sx interfill circ 60 sx to pit	
5-1/2" N-80	17#	11950	8-3/4"	1850 sx Interfil/Perm DV tool at 7019' circ 35 sx to pit TOC surf	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	11415'	11442'

31. PERFORATION RECORD (Interval, size and number)

11712 - 11758 6 SPF 60 Holes

11420 - 11428 4 SPF 36 Holes

11488 - 11554 6 SPF 90 Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11712' - 11758'	42750 gal 45# gel 7% KCL w/ CO2
	23760 # 20/40 interprop
11420' - 11554'	107000 gal 45# gel 7% KCL w CO2
	61000 # 20/40 mesh Premium Prop

83 • PRODUCTION

DATE FIRST PRODUCTION 11-25-02	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing	WELL STATUS (Producing or shut-in) Producing
-----------------------------------	---	---

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
12-01-02	24	16/64	→	-0-	2480	-0-	NA

FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL---BBL.	GAS---MCF.	WATER---BBL.	OIL GRAVITY-API (CORR.)
2671	-0-	→	-0-	2480	-0-	NA

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

35. LIST OF ATTACHMENTS

NM C-122. Electric logs and Inclination Summary

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED:

TITLE

Manager Operations Admin.

PETROLEUM ENGINEER

DATE 12-10-02

***(See Instructions and Spaces for Additional Data 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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Bone Spring	5460					
Wolfcamp	8650					
Strawn	10100					
Atoka	10410					
Morow	11090					
Mississippian	11870					

RECEIVED
2002 DEC 19 AM 10:12
BUREAU OF LAND SURVEY
TOSHELI OFFICE

Submit in duplicate to
appropriate district office.
See Rule 401 & Rule 1122

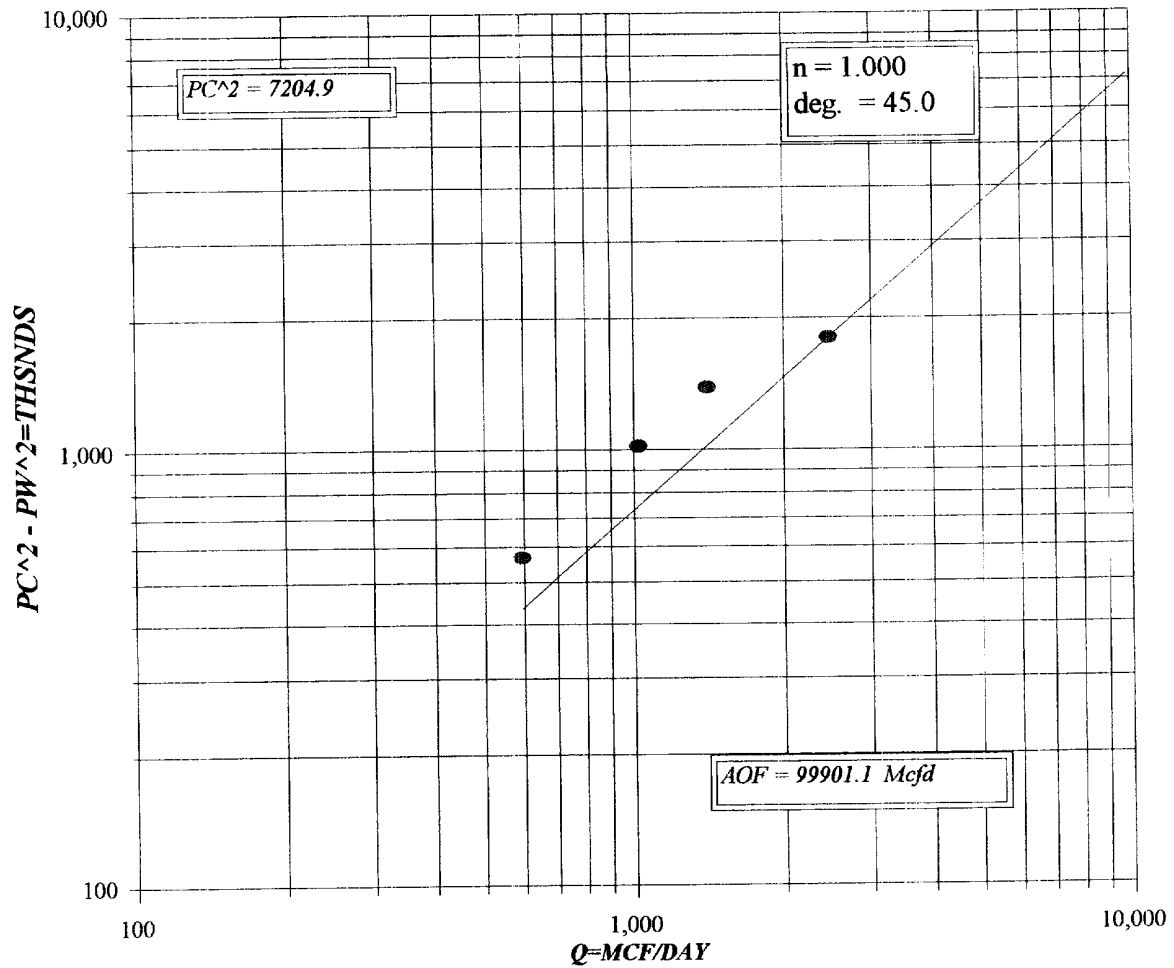
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

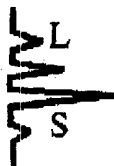
Form C-122
Revised October, 1999

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator GRUY PETROLEUM MANAGEMENT				Lease or Unit Name PENNZOIL FED COM			
Type Test ☒ Initial ☐ Annual ☐ Special						Test Date 12/4/02	Well No. 2
Completion Date 11/26/02		Total Depth 11950		Plug Back TD 11904		Elevation	Unit Ltr - Sec - TWP - Rge 15 24S 26E
Csg. Size 5 1/2	Wt. 17	d 4.892	Set At 11950	Perforations: From: 11420 To: 11758		County EDDY	
Tbg. Size 2 3/8	Wt. 4.7	d 1.995	Set At 11436	Perforations: From: To:		Pool	
Type Well-Single-Bradenhead-G.G. or G.O. Multiple SINGLE				Packer Set At 11442		Formation MORROW	
Producing Thru Tubing		Reservoir Temp. °F 188	Mean Annual Temp. °F 60	Baro. Press. -P _a 13.2		Connection SALES	
L 11442	H 11442	Gg 0.593	%CO ₂ 2.015	%N ₂ 0.202	%H ₂ S N/A	Prover N/A	Meter Run 4.892
Taps FLG							
FLOW DATA				TUBING DATA			
No.	Prover Line Size	Orifice x Size	Press p.s.i.g.	Diff. h _w	Temp. °F	Press p.s.i.g.	Temp. °F
SI						2671	N/A
1	4.892 X 2.250		435	0.5	67	2560	
2	4.892 X 2.250		435	1.8	63	2459	
3	4.892 X 2.250		435	3.6	69	2382	
4	4.892 X 2.250		435	10	64	2260	
5							
RATE OF FLOW CALCULATIONS							
No.	COEFFICIENT (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress Factor F _{pv}	Rate of Flow Q, Mcfd
1							597
2							1030
3	TOTAL	FLOW	METER				1412
4							2480
5							
No.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio N/A		Mcft bbl.
1					A.P.I. Gravity of Liquid Hydrocarbons N/A		Deg.
2					Specific Gravity Separator Gas 0.593		XXXXXXX
3	TOTAL	FLOW	METER		Specific Gravity Flowing Fluid N/A		XXXXXX
4					Critical Pressure 679		P.S.I.A. P.S.I.A.
5					Critical Temperature 348		R. R.
P _c 2684.2 P _{c2} 7204.9							
No.	P _t ²	P _w	P _w ²	P _c ² - P _w ²	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = \frac{3.992}{\quad}$ (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = \frac{3.992}{\quad}$		
1		2575.9	6635	569.9			
2		2480.4	6152.2	1052.7			
3		2411	5812.7	1392.2			
4		2323.9	5400.3	1804.6			
5							
Absolute Open Flow 9901.1				Mcfd @ 15.025	Angle of Slope (°): 45	Slope n: 1	
Remarks: * NO LIQUID MADE DURING TEST.							
Approved By Division:		Conducted By: PRO WELL TESTING		Calculated By: MERV BUECKER		Checked By: MB	

GRUY PET. MANAGEMENT CO.
PENNZOIL FED COM #2





Laboratory Services, Inc.

4016 Fiesta Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Pro Well Testing & Wireline
P. O. Box 791
Hobbs, New Mexico 88241

SAMPLE:
IDENTIFICATION: Pennzoil Fed. Com. #2
COMPANY: Gruy Petroleum
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 12/4/02 11:30 am
ANALYSIS DATE: 12/4/02
PRESSURE - PSIG 480
SAMPLE TEMP. °F 62
ATMOS. TEMP. °F

GAS (XX) LIQUID ()
SAMPLED BY: Richard Hicks
ANALYSIS BY: Vickie Biggs

REMARKS: Sample taken @ the meter run.

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.202	
Carbon Dioxide (CO2)	2.015	
Methane (C1)	95.495	
Ethane (C2)	1.630	0.435
Propane (C3)	0.249	0.068
I-Butane (IC4)	0.046	0.015
N-Butane (NC4)	0.042	0.013
I-Pentane (IC5)	0.020	0.007
N-Pentane (NC5)	0.020	0.007
Hexane Plus (C6+)	0.281	0.122
	100.000	0.667

BTU/CU.FT. - DRY 1017
AT 14.650 DRY 1014
AT 14.650 WET 997
AT 14.73 DRY 1020
AT 14.73 WET 1002

MOLECULAR WT. 17.2006

SPECIFIC GRAVITY -
CALCULATED 0.593
MEASURED

COMPANY : GRUY PET. MANAGEMENT CO		LEASE SECTION : 15		PENNZOIL FED COM		WELL NO. : 2		Pc = 2684.2		Pc2 = 7204.9	
UNIT : 11442		H : 11442		L/H : 1		TOWNSHIP : 24S		P12 = 6621.4		Pw = 2575.9	
L : 2.015		%N2 : 0.202		H2S : 8197.0		G/GMIX : 0.593		6111.8		2411.0	
%CO2 : 1.995		Fr : 0.018183		GH :		DATE : 12/4/02		5737.0		2323.9	
d :						RANGE : 26E		5167.4			
VOL 1 : 597		PSIA 1 : 2573.2		RESV. TEMP : 188.0				Pc2-Pw2 = 569.9		Pw2 = 6635.0	
VOL 2 : 1030		PSIA 2 : 2472.2		SHUT-IN PRES = 2684.2				1052.7		6152.2	
VOL 3 : 1412		PSIA 3 : 2395.2						1392.2		5812.7	
VOL 4 : 2480		PSIA 4 : 2273.2						1804.6		5400.3	
		PCR : 679						n = 1.000			
		TCR : 348						Pc2/(Pc2-Pw2) =		12.643	
LINE		RATE 1		RATE 2		RATE 3		RATE 4			
		1ST		2ND		1ST		2ND			
1	QM	0.597	0.597	1.030	1.030	1.412	1.412	2.480	2.480		
2	TW	534	534	534	534	534	534	534	534		
3	Ts	648.0	648.0	648.0	648.0	648.0	648.0	648.0	648.0		
4	T	591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0		
	PR (est)	3.79	3.64	3.64	3.53	3.53	3.35	3.35	3.35		
5	Z(est)	0.842	0.852	0.842	0.849	0.841	0.847	0.841	0.844		
6	TZ	497.8	503.5	497.3	501.6	497.2	500.4	497.3	499.0		
7	GH/TZ	16.466	16.282	16.482	16.343	16.486	16.382	16.482	16.428		
8	eS	1.854	1.841	1.855	1.846	1.856	1.848	1.855	1.852		
9	I.e.S	0.461	0.457	0.461	0.458	0.461	0.459	0.461	0.460		
10	Pt	2573.2	2573.2	2472.2	2395.2	2395.2	2395.2	2273.2	2273.2		
11	Pt2 /1000	6621.4	6621.4	6111.8	6111.8	5737.0	5737.0	5167.4	5167.4		
12	Fr	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183		
13	Fc=FrTZ	9.052	9.154	9.043	9.120	9.040	9.098	9.043	9.073		
14	FcQm	5.40	5.47	9.31	9.39	12.77	12.85	22.43	22.50		
15	L/H(FcQm)2	29.2	29.9	86.8	88.2	162.9	165.0	502.9	506.3		
16	Fw	13.452879	13.648038	39.997265	40.430567	75.137774	75.747952	231.86533	232.844684		
17	Pw2	6634.8	6635.0	6151.8	6152.2	5812.1	5812.7	5399.3	5400.3		
18	Ps2	12302.7	12218.1	11413.5	11355.2	10785.4	10744.5	10017.7	9999.1		
19	Ps	3507.5	3495.4	3378.4	3369.7	3284.1	3277.9	3165.1	3162.1		
20	P	3040.4	3034.3	2925.3	2921.0	2839.7	2836.5	2719.1	2717.7		
21	Pr	4.48	4.47	4.31	4.30	4.18	4.18	4.00	4.00		
22	Tr	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70		
23	Z	0.852	0.852	0.849	0.849	0.847	0.847	0.844	0.844		

FORM C122-D

OPERATOR: GRUY PETROLEUM
WELL/LEASE: PENNZOIL FED. COM. 2
COUNTY: EDDY

080-0010

STATE OF NEW MEXICO
DEVIATION REPORT

236	1
445	1
806	1 3/4
1,145	2 1/2
1,272	2
1,466	2 3/4
1,563	3 3/4
1,686	3
1,789	2
1,885	1 3/4
2,165	1 1/4
2,640	3/4
3,225	1/4
3,699	1/2
4,175	1/4
4,652	1/2
5,130	3/4
5,605	1/2
6,084	1
6,562	1/2
7,040	3/4
7,514	1 1/4
7,979	1 1/2
8,454	2
8,933	1
9,433	3/4
9,917	1/4
10,394	1/2
10,562	1
11,037	3/4
11,514	1/2
11,950	1



By: Steve Moore

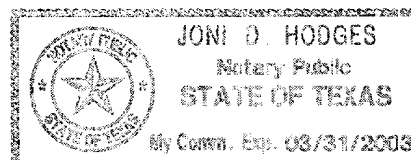
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 15th day of October, 2002, by Steve Moore on behalf of Patterson-UTi Drilling Company LP, LLLP.

Joni D. Hodges
Notary Public for Midland County, Texas

My Commission Expires: 3/31/2003



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Reformatted July 20, 2001

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Gruy Petroleum Management Co. PO Box 140907 Irving, TX 75014-0907		² OGRID Number 162683
		³ Reason for Filing Code/ Effective Date Request Gas and Water POD, 9-13-02
⁴ API Number 30 - 0 15-32485	⁵ Pool Name White City; Penn (Gas)	⁶ Pool Code 87280
⁷ Property Code	⁸ Property Name Pennzoil Federal Com	⁹ Well Number 2

II. ¹⁰ Surface Location

Tr or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	15	24-S	26-E		760'	North	660'	East	Eddy

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Use Code	¹³ Producing	¹⁴ Gas	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
036785	Duke Energy Field Services, LP PO Box 201207 Houston, TX 77216-1207			

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
-------------------	--

V. Well Completion Data

²⁵ Soud Date 09-04-02	²⁶ Ready Date 11-25-02	²⁷ TD 11950'	²⁸ PBTB 11904'	²⁹ Perforations 11488' - 11758'	³⁰ DHC, MC
³¹ Hole Size 17-1/2"	³² Casing & Tubing Size 13-3/8" H-40	³³ Depth Set 445'	³⁴ Sacks Cement 540 sx circ		
12-1/4"	9-5/8" J-55	3220'	1350 sx circ		
8-3/4"	5-1/2" N-80	11950'	1850 sx TOC '		
	2-3/8"	11415'			

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date 11-25-02	³⁷ Test Date 12-01-02	³⁸ Test Length 24 hours	³⁹ Tbg. Pressure 2671	⁴⁰ Csg. Pressure -0-
⁴¹ Choke Size 16/64"	⁴² Oil -0-	⁴³ Water -0-	⁴⁴ Gas 2480	⁴⁵ AOF 9901.1	⁴⁶ Test Method Single
⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Natalie Krueger</i>			OIL CONSERVATION DIVISION		
Printed name: Natalie Krueger			Approved by:		
Title: Production Assistant			Title:		
Date: 12/16/02			Approval Date:		
Phone: 972-401-3111					