

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CD-HOBBS

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.

5. Lease Serial No.
NM-90796

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Rhodes Federal Unit No. 159Y

9. API Well No.
30-025-37599

10. Field and Pool, or Exploratory Area
Rhodes; Yates-7 Rivers (Gas)

11. County or Parish, State
Lea County, NM

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
PO Box 140907; Irving, TX 75014-0907

3b. Phone No. (include area code)
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2110' FNL & 510' FEL
H-15-26S-37E**

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 checked="" 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 checked="" 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 Set casing
	<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, included 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.)

12-11-05 Started drilling 12-1/4" hole.

12-12-05 Ran 25 jts 8-5/8" 24# J-55 STC casing to 1070'. Cemented with lead of 255 sx Lite + 0.25# Flocele (12.5 den, 1.95 yld) and tail of 250 sx C + 2% CaCl (14.8 den, 1.35 yld). Circulated 72 sx to surface. WOC 20.5 hours.

12-13-05 Tested casing to 1000 psi for 30 minutes.

12-16-05 Reached TD of 7-7/8" hole (3475').

12-17-05 Ran 78 jts 5-1/2" 15.5# J-55 LTC casing to 3475'.

12-18-05 Cemented with lead of 545 sx Lite + SBM (12.4 den, 2.06 yld) and tail of 360 sx POZ + 0.3% H-322 (14.2 den, 1.27 yld). Circulated 28 sx to surface. Released rig at 18:00 hrs.

12-29-05 Conducted CBL and found TOC at surface. Tested casing to 1000 psi for 30 minutes.

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

Name (Printed/Typed) Natalie Krueger	Title Reg Tech	ACCEPTED FOR RECORD MAR 15 2006 LES BABYAK PETROLEUM ENGINEER
Signature <i>Natalie Krueger</i>	Date 3/2/2006	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
	Office	

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.

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.