

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 6362

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO Box 140907 Irving, TX 75014-0907		OGRID Number 162683
		API Number 30-025-37081
Property Code 300537	Property Name PIPELINE 16 STATE	Well No. 002

Surface Location

UL or Lot D	Section 16	Township 19S	Range 34E	Lot Idn D	Feet From 950	N/S Line N	Feet From 1150	E/W Line W	County Lea
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Proposed Pools

QUAIL RIDGE,MORROW (GAS) 83280

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3786
Multiple N	Proposed Depth 14000	Formation Morrow	Contractor	Spud Date 02/28/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	425	490	0
Int1	12.25	9.625	40	3500	1850	0
Prod	7.875	5.5	17	14000	1750	2700

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Zeno Farris

Title: Manager Operations Administration

Date: 02/07/2005

Phone: 972-443-6489

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 02/08/2005

Expiration Date: 02/08/2006

Conditions of Approval:

There are conditions. See Attached.