

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 11396

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 30-025-37255
Property Code 34826	Property Name STATE OF NEW MEXICO 35	Well No. 003

Surface Location

UL or Lot I	Section 35	Township 16S	Range 34E	Lot Idn I	Feet From 1500	N/S Line S	Feet From 660	E/W Line E	County Lea
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Proposed Pools

KEMNITZ;ATOKA-MORROW, SOUTH (GAS) 79420

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4048
Multiple N	Proposed Depth 13000	Formation Morrow	Contractor	Spud Date 06/10/2005

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	400	425	0
Int1	12.25	9.625	40	3200	1250	0
Prod	7.875	5.5	17	13000	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: 05/20/2005

Phone: 972-443-6489

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 05/20/2005

Expiration Date: 05/20/2006

Conditions of Approval:

There are conditions. See Attached.