

1. Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO BOX 140907 IRVING, TX 750140907		2. OGRID Number 162683
		3. API Number 30-015-34704
4. Property Code 33411	5. Property Name NEW MEXICO DD STATE COM	6. Well No. 004

UL - Lot J	Section 32	Township 24S	Range 26E	Lot Idn J	Feet From 1650	N/S Line S	Feet From 1650	E/W Line E	County EDDY
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WHITE CITY-PENN (GAS)	87280
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9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3381
14. Multiple N	15. Proposed Depth	16. Formation Morrow	17. Contractor	18. Spud Date 4/1/2006
Depth to Ground water 85		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick    Clay <input type="checkbox"/> Pit Volume:      bbls    Drilling Method:				
Closed Loon System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	200	390	0
Int1	12.25	9.625	40	1680	1200	0
Prod	8.75	5.5	17	12200	1620	2700

A complete casing and mud program will be emailed to Bryan Arrant.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
Printed Name: Electronically filed by Zeno Farris	Title: Geologist	
Title: Manager Operations Administration	Approved Date: 3/23/2006	Expiration Date: 3/23/2007
Email Address: zfarris@magnumhunter.com		
Date: 3/22/2006	Phone: 972-443-6489	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 25976

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-34704	2. Pool Code 87280	3. Pool Name WHITE CITY;PENN (GAS)
4. Property Code 33411	5. Property Name NEW MEXICO DD STATE COM	6. Well No. 004
7. OGRID No. 162683	8. Operator Name GRUY PETROLEUM MANAGEMENT CO.	9. Elevation 3381

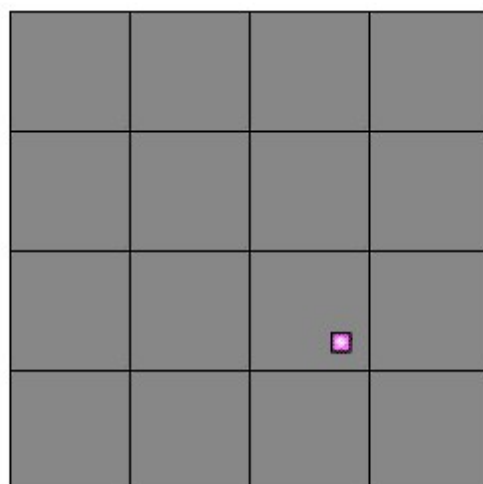
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	32	24S	26E		1650	S	1650	E	EDDY

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 640.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Zeno Farris  
 Title: Manager Operations Administration  
 Date: 3/22/2006

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: Gary Jones  
 Date of Survey: 3/17/2006  
 Certificate Number: 7977

## Permit Comments

**Operator:** GRUY PETROLEUM MANAGEMENT CO. , 162683

**Well:** NEW MEXICO DD STATE COM #004

**API:** 30-015-34704

Created By	Comment	Comment Date
ZFARRIS	Drill fluids will be contained in steel pits in a closed circulating system. 12 mil liner will be utilized for a 100' X 70' cuttings drying area.	3/22/2006
ZFARRIS	C-144 e-mailed to Van Barton on 3-22-06.	3/22/2006
ZFARRIS	H2S statement, casing cementing program, and BOP details e-mailed to Bryan Arrant on 3-22-06.	3/22/2006

# Permit Conditions of Approval

**Operator:** GRUY PETROLEUM MANAGEMENT CO. , 162683

**Well:** NEW MEXICO DD STATE COM #004

**API:** 30-015-34704

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Please be aware of the BLM's requirements for: "Practices for Oil and Gas Drilling and Operations in Cave and Karst Areas. Appendix 3.
BArrant	Cement to cover all oil, gas and water bearing zones.