

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address GRUY PETROLEUM MANAGEMENT CO. PO BOX 140907 IRVING , TX 750140907		2. OGRID Number 162683
		3. API Number 30-015-34716
4. Property Code 35483	5. Property Name FREEDOM 25 FEE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	25	25S	26E	D	660	N	990	W	EDDY

8. Pool Information

COTTONWOOD SPRING; MORROW GAS	96612
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3205
14. Multiple N	15. Proposed Depth	16. Formation Morrow	17. Contractor	18. Spud Date 4/1/2006
Depth to Ground water 2	Distance from nearest fresh water well		Distance to nearest surface water	
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop 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"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	220	250	0
Int1	12.25	9.625	40	2700	880	0
Prod	8.75	5.5	17	12700	1620	2400

Casing/Cement Program: Additional Comments

Thorough mud and casing program will be emailed to Bryan Arrant.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

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: 3/27/2006	Expiration Date: 3/27/2007
Email Address: zfarris@magnumphunter.com		
Date: 3/24/2006	Phone: 972-443-6489	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34716	2. Pool Code 96612	3. Pool Name COTTONWOOD SPRING; MORROW GAS
4. Property Code 35483	5. Property Name FREEDOM 25 FEE	6. Well No. 001
7. OGRID No. 162683	8. Operator Name GRUY PETROLEUM MANAGEMENT CO.	9. Elevation 3205

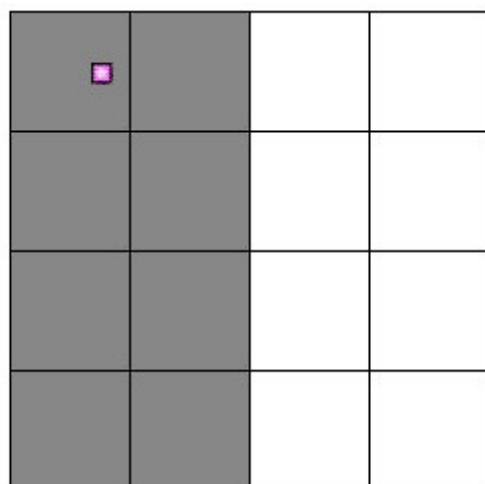
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	25	25S	26E		660	N	990	W	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 320.00		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: 3/24/2006

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: 2/27/2006

Certificate Number: 7977

Permit Conditions of Approval

Operator: GRUY PETROLEUM MANAGEMENT CO. , 162683

Well: FREEDOM 25 FEE #001

API: 30-015-34716

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	Location of well is within the BLM's area for "Practices for Oil and Gas Operations in Cave & Karst Areas" set forth in Appendix 3 from the BLM.