

Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

April 1, 2004 Thru April 5, 2004

OPERATED

CHARLSBAD SOUTH

30-015-33316

GRUY PETROLEUM MANAGEMENT CO

77291 WHITE CITY PENN 29 GCU 1 #3

EDDY, NM

Sec 29, T24S, R26E

W.I. Pct BCP 100.00 %

W.I. Pct ACP 100.00 %

Morrow / 13,000'

4/01/2004

Depth 0

Progress 0

FE: 24106

Present Operation: Preparing to Spud

Location staked by John West Surveying Co. on 1/21/2004 - 1,450' FSL & 965' FEL of Sec. 29 T-24-S R-26-E in Eddy County, New Mexico. B&H Construction built location, road & pits 3/19/04 to 3/31/04. Abbott Brothers set 20" conductor pipe at 39' FGL & cemented with 4 yds. ready mix cement - dug rat & mouse holes on 3/27 & 3/28/2004. Akome, Inc. plastic lined reserve pit on 3/30/04 - JWS put water in reserve pit to hold down the plastic on 3/30/04. MIRU Patterson-UTI Rig # 75 on 3/30/04 & 3/31/04. Welded flow nipple onto conductor pipe - mixed spud mud - preparing to spud well.

4/02/2004

Depth 373

Progress 311

FE: 24106

Present Operation: Drlg

Drill from 62' to 78' - lost 100% returns @ 78' KB (Spud 17 1/2" Hole at 6:00 AM (CST) 4/1/2004) - notified Jim Amos with the BLM of spudding well & losing circulation - mix & pump viscous LCM pill Drill from 78' to 158' - no returns - mixing viscous LCM pills - service rig Drill from 158' to 217' - no returns WLS @ 165' = 10 Drill from 217' to 373' TD - 20% returns starting at 280' to 50% returns by 373' (reached TD of 17 1/2" hole at 11:00 PM (CST) 4/1/2004) Circulate & pump viscous sweep with LCM Drop Totco @ 373' = 2 3/4o & trip out to run 13 3/8" surface casing - LD BHR, shock sub & bit RU casing crew & ran 13 3/8" casing (See Casing Detail) RU Halliburton - washed down 15' of light fill & circulated to clear 13 3/8" casing Hall. cemented 13 3/8" csg. (1st Lead) 100 sx Thixotropic Cement [Prem. Plus Cmt., 10# Cal-Seal, 10# Gilsonite, 1/2# Flocele & 2%CaCl] (2nd Lead) 190 sx Prem. + Cement, 4% Gel, 2% CaCl & 1/4# Flocele (Tail) 150 sx Prem. Plus Cement + 2% CaCl - plug down & bumped with 240# at 5:00 AM (CST) 4/2/04 - no cement to surface - Clark Bennett w/ the BLM witnessed entire job - WOC to run temperature survey - 25% returns to no returns to 50% returns during cement job

4/03/2004

Depth 490

Progress 117

FE: 24106

Present Operation: Drlg

WOC - cut off 20" conductor pipe - Keltic Services ran temperature survey after 4 hrs. WOC - TOC @ 20' GL - PU & TIH on back side of 13 3/8" casing with 2 jts. of 1" tubing & tagged TOC at 45' DF Halliburton mixed & pumped 12 sx Prem Plus Cement + 3% CaCl - circulated cement to surface WOC & jet steel pits Cut off 13 3/8" casing & weld on a 13 3/8" SO X 13 5/8" 3,000# Braden Head & test to 500# - OK NU BOP & choke manifold Test BOP blind rams & choke manifold to 1,000# with rig pump - OK PU & TIH with Bit # 2, motor, BHA & 8" DC's - tagged cement at 405' Test BOP Hydril to 1,000# with rig pump - OK Drill cement, wiper plug, float collar, cement & shoe from 405' to 373' Drill from 373' to 490' (88 RPM motor - 40 RPM rotary - 28K to 30K bit wt.) - back on formation at 2:00 AM (CST) 4/3/2004

4/04/2004

Depth 1,060

Monday, 5 April, 2004

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Progress 570
 FE: 24106 Present Operation: Drlg

WLS @ 402' = 2 1/4o Drill from 490' to 651' (88 RPM motor - 40 RPM rotary - 28K to 30K bit wt.) WLS @ 574' = 2o Service rig Drill from 651' to 841' (88 RPM motor - 40 RPM rotary - 12K to 30K bit wt.) WLS @ 764' = 1 1/2o Drill from 841' to 1,017' (88 RPM motor - 40 RPM rotary - 12K to 30K bit wt.) Time Change - Change Clocks From CST to CDT Drill from 1,017' to 1,040' (88 RPM motor - 40 RPM rotary - 25K to 30K bit wt.) WLS @ 1,000' = 1 1/4o Drill from 1,040' to 1,060' (88 RPM motor - 40 RPM rotary - 25K to 30K bit wt.) Top of Salt @ 815' - MW started rising at that point from 8.4 #/gal. to 8.8 #/gal.

4/05/2004 Depth 1,645
 Progress 585
 FE: 24106 Present Operation: Drlg

Drill from 1,060' to 1,251' (88 RPM motor - 40 RPM rotary - 10K to 30K bit wt.) Service rig Drill from 1,251' to 1,282' (88 RPM motor - 40 RPM rotary - 10K to 15K bit wt.) WLS @ 1,205' = no picture Drill from 1,282' to 1,314' (88 RPM motor - 40 RPM rotary - 10K to 15K bit wt.) WLS @ 1,237' = 1/4o Drill from 1,314' to 1,504' (88 RPM motor - 40 RPM rotary - 10K to 40K bit wt.) WLS @ 1,432' = 3/4o Drill from 1,504' to 1,645' (88 RPM motor - 40 RPM rotary - 40K bit wt.) Top of 1st Salt @ 815' & bottom @ 988' Top of 2nd salt @ 1,161' & bottom @ 1,384' Note: No brine water was added to mud system - MW at report time = 9.7 #/gal.