

Submit 3 Copies To Appropriate District
Office
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

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33116
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NA
7. Lease Name or Unit Agreement Name Magnum 5 Federal Com
8. Well Number 004
9. OGRID Number 162683
10. Pool name or Wildcat Shugart; Strawn North

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Gruy Petroleum Management Co.

3. Address of Operator
PO Box 140907; Irving, TX 75014

RECEIVED

JUN 01 2004

OCD-ARTESIA

4. Well Location

Unit Letter I : 1980 feet from the South line and 1190 feet from the East line

Section 5 Township 18S Range 31E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well

Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;

 feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: Deviation statement <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. In drilling the Magnum 5 Federal # 4 well from 10,773 to 10,870 the deviation per the inclination survey was 5.75 degrees. The maximum average deviation in any 500' interval before, during, or after the above 97' interval does not exceed 5 degrees, therefore the drilling of this well is in compliance with Statewide Rule 19.15.3.111(B)(2)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Zeno Farris TITLE Manager Operations Administration DATE May 25, 2004

Type or print name Zeno Farris E-mail address: zfarris@magnumhunter.com Telephone No. 972-401-3111

(This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE DATE JUN 05 2004

Conditions of approval, if any:

Arrant, Bryan

From: Zeno Farris [zfarris@magnumhunter.com]
Sent: Thursday, May 06, 2004 12:28 PM
To: Arrant, Bryan
Cc: Gum, Tim; Stogner, Michael
Subject: RE: Magnum '4' Federal Com. # 4

Thanks Bryan. We sent a revised C-102 to the BLM and you on 5-3-04, so you should be receiving it soon. Our original location was 1900' FSL & 990' FEL. We had to move it due to 50' west and 80' north to get away from a GPM pipeline, and a power line. The BLM surface management group moved it another 150' west to move it away from some sand dunes for drainage purposes. I will submit the NSL application ASAP. Also I will send you a C-103 with comments about the 5.75 degree deviation from 10773' to 10870'. Thanks Zeno

> -----Original Message-----
> From: Arrant, Bryan [mailto:BARRANT@state.nm.us]
> Sent: Thursday, May 06, 2004 11:28 AM
> To: Zeno Farris
> Cc: Gum, Tim; Stogner, Michael
> Subject: Magnum '4' Federal Com. # 4
>
> << File: Letterhead.doc >>

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

May 6, 2004

**Gruy Petroleum Management Company
P.O. Box 140907
Irving, TX 75014-0907
Attn: Zeno Farris**

**RE: Gruy Petroleum Management Company
Magnum '5' Federal Com. # 4
Located in Section 5 of T 18 S R 31 E,
1980' FSL & 1190' FEL, Eddy County, New Mexico**

Dear Mr. Farris or To Whom It May Concern,

In regards to the above, the noted well is in violation to New Mexico Oil Conservation Division's (NMOCD) Temporary Special Pool Rules for the Shugart; Strawn Oil Pool, specifically Rule 4.

Rule (4) for the Shugart; Strawn Oil Pool states that: "Each well shall be located no closer than 660 feet to the outer boundary of the spacing unit, nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary".

Please apply to the Santa Fe office for administrative approval for a non-standard location, as this well is closer than 330' to the quarter/quarter section line.

In addition, provide our district office a C-102 showing the correct dedicated acreage for the Shugart; Strawn Pool and on NMOCD's updated form C-103 the statements concerning the 'over 5 degree deviation' matter that you e-mailed me on 5/5/2004.

Please call if you have any questions concerning this matter.

Bryan G. Arrant
PES
Artesia District II Office

E-Mail: Michael Stogner, Chief Hearing Examiner-Santa Fe
Tim Gum, District Supervisor-Artesia

Arrant, Bryan

From: Zeno Farris [zfarris@magnumhunter.com]
Sent: Wednesday, May 05, 2004 8:40 AM
To: barrant@state.nm.us
Cc: Michael H. Feldewert; Tom Strother
Subject: Over 5 Degree deviation Mag 5 Fed # 4

Bryan, per your phone message, below is what the State rule governing deviation states. If you take the 500' average deviation from the survey at 10520 to 11020, which is just before the 97', 5.75 degree displacement, it's 4.75. If you take the average deviation starting at the 5.75 degree displacement from 10773 to 11273, it's 4.75. In addition, we went ahead and calculated the maximum horizontal displacement, and it did not exceed the nearest outer boundary line of the 160 acre spacing unit. Therefore we are in within the tolerance limits of Rule 19.15.3.111(B)(2). Let me know if you have any more questions. Thanks Zeno

Rule 19.15.3.111(B)(2) states:

When the deviation averages more than five degrees in any 500-foot interval, the operator shall include the calculations of the maximum possible horizontal displacement of the hole. When the maximum possible horizontal displacement exceeds the distance to the nearest outer boundary line of the appropriate unit, the operator shall run a directional survey to establish the location of the producing interval(s)

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>
