

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

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

2. Name of Operator
Gruy Petroleum Management Co.

3a. Address
P.O. Box 140907 Irving, TX 75014-0907

3b. Phone No. (include area code)
972.401.3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL 2495' FNL & 1415' FWL Sec 7G 24S-26E
2520 FEL
BHL 1200' FNL & 900' FEL Sec 7A 24S 26E

5. Lease Serial No.

NM-15295

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NA

8. Well Name and No.

C K 7 Federal No. 2

9. API Well No.

30-015-33421

10. Field and Pool, or Exploratory Area

Carlsbad; South, Morrow

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Set surface & intermediate casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

04-19-04 Spud well.

04-21-04 Ran 9 jts 13.375"/54.5# /J-55/STC casing to 397.' Cemented with 235 sx Premium Plus lead and 155 sx Premium Plus tail.
Lost returns. Cemented with 50 sx "C" with 3% Cac12. Cemented again with 50 sx. Cemented again with 150 sx. Still did not get cement to surface.

04-22-04 Cement again with 75 sx "C" neat and circulated 20 sx to cuttings pit.. WOC 22.75 hours.

04-25-04 Ran FS, FJ, FC, and 43 jts 9.625"/40# /HCP-110/LTC casing to 1906.' Cement with 50 bbl WG 22 spacer, 500 sx Interfill, 200 sx Premium Plus, and 142 bbls FW. Had no returns.

04-26-04 Ran temperature survey. Cemented through one inch with 100 sx Premium Plus with 3% CaC12. No returns. Cemented plug #2 with 100 sx Premium Plus with 3% CaC12. No returns. Cemented plug #3 with 100 sx Premium Plus with 3% CaC12. Pumped 50 sx Premium Plus on plug #4 and #5. Pumped 100 sx on Premium Plus on plug #6 and circulated to surface. WOC 47 hours.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Natalie Krueger

Signature

Title

Production Assistant

Date

June 2, 2004

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

JUN 23 2004

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

April 20, 2004 Thru April 26, 2004

OPERATED

CHARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77240 C K 7 FEDERAL 2

EDDY, NM

Sec 7, T24S, R26E

W.I. Pct BCP 56.70 %

W.I. Pct ACP 56.70 %

Morrow / 12,000'

4/20/2004

Depth 397

Progress 397

JFE: 24029

Present Operation: TOH f/Casing

Spud well at 0500 hrs on 4/19/04 and drill to 218'. Wireline Survey at 170' - .75 degrees. Reweld collar on conductor pipe. Drilling from 218' - 368' with 50K WOB and 100 RPM. Repair rotary chain. Drilling from 368' - 397' with 50K WOB and 100 RPM. Pump sweep around. Wireline Survey at 357' - .5 degrees. Trip out of hole for 13.375" casing. BLM shutdown operations for 30 minutes due to their mistake for having wrong APD. Presently rigging up casing crew.

4/21/2004

Depth 397

Progress 0

JFE: 24029

Present Operation: WO Cmt from HOWCO

Laydown BHA. Rig up casing crew and run 9 jts of 13.375"/54.5/J55/STC casing to bottom at 397'. Circulate casing on bottom with good returns. Rig up Halliburton and pump 235 sx of Premium Plus Lead and 155 sx Premium Plus tail. Displace with 55 bbls FW. Lost returns during displacement. Called for 300 sx of cement for top job. Wait on cement from Hobbs, NM yard. Cut window in conductor pipe. Run one inch down to 385' before tagging cement and cement with 50 sx of "C" w/ 3% CaCl2. Pull 225' of one inch and wait on surface samples to set. Run one inch to 365' and tag cement. Pump 50 sx and pull 150' of one inch pipe. Wait on cement, and run one inch to 310'. Cement with 50 sx. Pull 150' of one inch. Wait on cement and tag at 240' with one inch. Pump 150 sx cement, but did not get cement to surface. One inch stuck in hole. Manually back out 3 joints and left 6 joints in hole.

4/22/2004

Depth 397

Progress 0

JFE: 24029

Present Operation: TIH

Wait on cement from Halliburton. Tag cement at 60' in annulus. Cement with 75 sx of "C" Neat and circulate 20 sx to cuttings pit. Rig down Halliburton. Wait on cement to set. Cut conductor and casing. Weld on 13.375" wellhead. Test wellhead to 1000 psi. Nipple up BOP stack. One ram block was left out and could not be installed because of space around substructure. Nippedown BOP stack and install ram block. Nipple up BOP stack. Test Blinds, choke manifold, and kill line to 500 psi. Make up bit and BHA. Trip in hole.

4/23/2004

Depth 860

Progress 463

JFE: 24029

Present Operation: Drlg

Trip in hole to FC at 352'. Drill FC and cement to 375'. Test pipe rams, annular, and casing to 500 psi for 30 minutes. Good test. Drill cement and shoe at 397'. Drilling from 397' - 709' with 30K WOB and 65 RPM. Wireline Survey at 659' - 1.25 degrees. Drilling from 709' - 860' with 30K WOB and 65 RPM. Lost returns at 741', pump 50 bbl LCM pill and got returns back while drilling ahead. Presently have

full returns.

4/24/2004 Depth 1,650
Progress 790
JFE: 24029 Present Operation: Dry Drlg

Drilling from 860' - 899' with 40K WOB and 65 RPM. Service Rig. Drilling from 899' - 1026' with 40K WOB and 65 RPM. Wireline Survey at 976' - one degree. Drilling from 1026' - 1249'. Lost returns at 1057', pump 100 bbls of 20 ppb LCM pill and regain returns. Drill on to 1070', lost complete returns again, pump 50 bbls of 20 ppb LCM, but did not regain returns. Change out lower kelly cock. Drilling from 1249' - 1313' with 40K WOB and 65 RPM. Wireline Survey at 1267' - 1.25 degrees. Drilling from 1313' - 1650' with 40K WOB and 65 RPM. Daily ROP - 35.1'/hr. Presently hauling water just fast enough to keep drilling with help of poly water line delivering 60 gal/min. Called BLM office at 1400 hrs and left message concerning lost returns. No return call was made and no one came out.

4/25/2004 Depth 1,912
Progress 262
JFE: 24029 Present Operation: Running Temp Survey

Drilling from 1650' - 1912' with 50K WOB and 60 RPM. No returns from wellbore since 1070'. TD intermediate hole at 1912'. Pumped several sweeps to keep hole clean while drilling. Spot high visc pill on bottom for casing. Trip out of hole to 8" DC. Rig up laydown machine. Laydown 8" DC and BHA. Rig up casers and run FS, FJ, FC, and 43jts of 9.625 / 40 / HCP110 / LTC casing to 1906' and tag. Rig up head and wash 6' to bottom. Cement with 50 bbl WG 22 spacer, 500 sx of Interfill, 200 sx of Premium Plus, and 142 bbls FW. Had no returns during job and lift pressure was only 80 psi. Bumped plug and floats held. Wait on cement to set and temperature survey. Nipple down BOP stack and get one inch ready to run in hole.

4/26/2004 Depth 1,912
Progress 0
JFE: 24029 Present Operation: Washing Around Casing

Wait on cement to set. Rig up wireline unit for temperature survey. Run temperature survey and found large temperature spike at 1560' and small ones at 650' and 400'. Attempt to run one inch to 1000', but could only get down to 220'. Rig up and cement through one inch with 100 sx of Premium Plus with 3% CaCl2 with no returns. Wait on cement to set. Run one inch to 220'. Cement Plug # 2 with 100 sx of Premium Plus w/ 3% CaCl2. No returns. Wait on surface samples to set and run one inch to 220'. Cement Plug # 3 with 100 sx of Premium Plus w/ 3% CaCl2. Wait on surface samples to set and run one inch to 220'. Pump 50 sx of Premium Plus on Plug # 4 at 220' with no returns. Had cement on bottom joint of one inch when pulling out of hole. Wait on cement samples to set. Run one inch in hole and tag at 150'. Cement with 50 sx on Plug # 5 and had fluid standing in hole. Wait on surface samples and run one inch to 60'. Tag up on collar and could not get lower. Pump 100 sx of Premium Plus on Plug # 6 at 60' and circulate good cement to surface. Attempt to center csg in "A" section. Order 9.625" head.