

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		<div>12 3 4 5 6 7 8 9 10 11 12 JUL 2004 RECEIVED OCD - ARTESTA</div>
2. Name of Operator Gruy Petroleum Management Co.		
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3448	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  1060' FSL & 1025' FEL Sec 30-24S-26E		
5. Lease Serial No. <del>457</del> LC -065347		
6. If Indian, Allottee or Tribe Name		
7. If Unit or CA/Agreement, Name and/or No.		
8. Well Name and No. M Gates Federal NCT-1 No. 2		
9. API Well No. 30-015-33387		
10. Field and Pool, or Exploratory Area White City; Penn (Gas)		
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 checked="" 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 type="checkbox"/> Subsequent Report	<input checked="" 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 type="checkbox"/> Other
	<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.)

Gruy is requesting to alter the casing design for it's J M Gates Federal NCT-1 # 2 as follows:

Set 80' of Conductor pipe, and cement to surface with 12 yds of Ready Mix. Contiuene to drill to 350'. If we have full returns continue drilling to 1550' and set 40# NS-110 9 5/8" casing and cement to surface with 1200 sx of Interfill C and Premium Plus. If returns are lost set 350' of J-55 54.5# 13 3/8" casing and cement to surface with 350 sx of Premium Plus. Continue drilling and set intermediate casing as shown above.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Zeno Farris		Title Manager, Operations Administration
Signature <i>Zeno Farris</i>		Date June 23, 2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	Title PETROLEUM ENGINEER	Date JUL 01 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.		

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)