Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED
2003
OCD
ARTESIA

5. Lease Serial No.
NM 0402170

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SRM 1115

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

8. Well Name and No.
Pennzoil Federal Com No. 3

2. Name of Operator
Gruy Petroleum Management Co.

9. API Well No.
30-015

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

3b. Phone No. *(include area code)*
972-401-3111

10. Field and Pool, or Exploratory Area
White City; Penn (Gas)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2000' FSL & 660' FEL Sec. 15 T24S - R26E

11. County or Parish, State
Eddy Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Set Production Casing
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

01/16/03 Ran 5 1/2" casing to 11,950 KB. Cemented 1st stage with lead of 500 sx Interfill "H" + 1/4# Flocele + 5# Gilsonite + 0.2% HR-7. Tailed with 400 sx Super "H" + 1# Salt + 0.3% CFR-3 + 0.5% LAP-1 + 0.25# D-AIR 3000 + 5# Gilsonite + 1/4# Flocele + 0.25% HR-7. Plugged down and bumped with 2038# - floats held OK. Circulated 100 sx of cement to pit from 1st stage.

Cemented 2nd stage with lead of 650 sx Interfill "C" + 1/4# Flocele. Tailed with 100 sx Premium Neat Cement. Plugged down and closed DV tool with 2870# - held OK.

01/17/03 Released Patterson-UTI Rig 75 to go to the White Baby Com 4 at noon CST 01/17/03. Found TOC at 1820' GL.

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*
Natalie Krueger

Title
Production Assistant

Signature
Natalie Krueger

Date
February 3, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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

December 23, 2002 Thru January 17, 2003

OPERATED

NM OTHER NONOP

GRUY PETROLEUM MANAGEMENT CO
76899 PENNZOIL FEDERAL COM 3
EDDY, NM 15-T24S-R26E

W.I. Pct BCP 12.76 %
W.I. Pct ACP 12.76 %
Morrow / 12,000'

12/23/2002
Maintenance
AFE: 22151 Present Operation: Drilling

PU & TIH with Bit # 3, mud motor, reamer, 6 3/4" DC, IBS, 6 3/4" DC, IBS, 4 - 6 3/4" DC's, X~O sub & 25 - 6 1/8" DC's - test motor - OK TIH with 4 1/2" DP out of derrick - (LD 10 jts. DP) - tagged up on cement @ 3,157' - made repairs on BOP accumulator (replaced one bad bladder & repaired 4 way valve to hydril) Test 9 5/8" casing, well head & BOP to 2,200# - OK (had to change out 1 bad 2" valve & a gasket in a 2" union that was leaking) Drill cement, plug, float collar, cement & shoe from 3,157' to 3,220' Drill from 3,220' to 3,239' (back on formation at 10:30 AM CST 12/22/2002) Service rig Test formation at 3,239' to a 10.8#/gal. mud wt. equivalent with 8.4#/gal. fluid in the hole with 400# - OK - welder RU EPOCH flow line sensor adapter, RPM read out & stand for EPOCH monitor Drill from 3,239' to 3,787' (159 RPM motor & 34 RPM rotary - 35K to 40K bit wt.) WLS @ 3,717' = 1o Drill from 3,787' to 3,913' (158 RPM motor & 36 RPM rotary - 40K bit wt.)

12/24/2002
Maintenance
AFE: 22151 Present Operation: Shutting down

Drill from 3,913' to 4,260' (158 RPM motor & 36 RPM rotary - 40K to 45K bit wt.) Service rig WLS @ 4,190' = 1/4o Drill from 4,260' to 4,734' (158 RPM motor & 36 RPM rotary - 40K to 45K bit wt.) Trip out with 17 stands & place bottom of bit at 3,076' up inside 9 5/8" casing - fill hole - install TIW valve & close BOP pipe rams Drain up rig & preparing to shut down for the Christmas Holiday until 7:00 AM (CST) 12/26/2002

12/25/2002
Maintenance
AFE: 22151 Present Operation: Shut down

Shut down for Christmas

12/26/2002 Depth 3,220
Progress 730
AFE: 22151 Present Operation: Preparing to start up

RIg is shut down for the Christmas holiday. Preparing to start rig back up.

12/27/2002 Depth 5,380
Progress 646
AFE: 22151 Present Operation: Drlg

Preparing to start back up after the Christmas Holiday Service rig - 350# SICP & 100# SIDP pressure Cut 132' of drilling line & circulate well through choke to circulate out gas TIH from 3,076' Wash 47' to bottom - 8' of fill - install drilling flow nipple in rotating head Drill from 4,734' to 4,760' (162 RPM motor & 35 RPM rotary - 45K bit wt.) WLS @ 4,690' = 1/4o Drill from 4,760' to 5,240' (162 RPM motor & 34 RPM rotary - 45K bit wt.) WLS @ 5,170' = 3/4o Drill from 5,240' to 5,380' (158 RPM motor

& 34 RPM rotary - 45 K bit wt.)

12/28/2002 Depth 6,150
Progress 770
AFE: 22151 Present Operation: Drlg

Drill from 5,380' to 5,651' (158 RPM motor & 34 RPM rotary - 45K bit wt.) Service rig Drill from 5,651' to 5,714' (156 RPM motor & 35 RPM rotary - 45K bit wt.) WLS @ 5,644' = 1/4o Drill from 5,714' to 6,150' (155 RPM motor & 35 RPM rotary - 45K bit wt.)

12/29/2002
Maintenance
AFE: 22151 Present Operation: Drilling

Drill from 6,150' to 6,189' (155 RPM motor & 35 RPM rotary - 45K bit wt.) Service rig WLS @ 6,119' = 1/2o Drill from 6,189' to 6,692' (159 RPM motor & 32 RPM rotary - 50K bit wt.) WLS @ 6,619' = 1o Drill from 6,692' to 6,847' (159 RPM motor & 32 RPM rotary - 50K bit wt.)

12/30/2002 Depth 7,500
Progress 653
AFE: 22151 Present Operation: Drilling

Drill from 6,847' to 7,042' (159 RPM motor & 32 RPM rotary - 50K bit wt.) Service rig Drill from 7,042' to 7,168' (159 RPM motor & 30 RPM rotary - 50K bit wt.) WLS @ 7,098' = 1/4o Drill from 7,168' to 7,500' (153 RPM motor & 30 RPM rotary - 50K bit wt.)

12/31/2002 Depth 7,951
Progress 451
AFE: 22151 Present Operation: Drilling

Drill from 7,500' to 7,607' (153 RPM motor & 30 RPM rotary - 50K bit wt.) - bit started torqueing up Drop Totco @ 7,541' = 1 1/2o & trip out for bit - Bit # 3 8 3/4" HTC HR-S38CH SN = 5021455 2 -13's & 1-14 in @ 3,220' out @ 7,607' cut 4,387' in 131.25 hrs. condition T5 B8 3/16" out of gauge - checked both IBS's for gauge - OK - LD BHR (1/8" out of gauge), motor & Bit # 3 Service rig PU & TIH with Bit # 4, new motor, new BHR, BHA & DC's - test motor - OK TIH with 4 1/2" DP - LD 3 jts. DP Wash & ream 137' from 7,470' to 7,607' - very little resistance - no fill Drill from 7,607' to 7,951' (153 RPM motor & 27 RPM rotary - 40K bit wt.)

01/01/2003 Depth 8,620
Progress 669
AFE: 22151 Present Operation: Drlg

Drill from 7,951' to 8,111' (153 RPM motor & 27 RPM rotary - 40K bit wt.) Service rig WLS @ 8,041' = 2o Drill from 8,111' to 8,591' (159 RPM motor & 25 RPM rotary - 35K to 40K bit wt.) WLS @ 8,544' = 1 1/2o Drill from 8,591' to 8,620' (159 RPM motor & 25 RPM rotary - 40K bit wt.)

01/02/2003 Depth 9,114
Progress 494
AFE: 22151 Present Operation: Drlg

Drill from 8,620' to 8,844' (159 RPM motor & 25 RPM rotary - 40K to 45K bit wt.) Service rig Drill from 8,844' to 9,002' (143 RPM motor & 28 to 40 RPM rotary - 45K bit wt.) Install rotating head rubber & drive bushings at 9,002' Drill from 9,002' to 9,097' (143 RPM motor & 40 RPM rotary - 45K bit wt.) WLS @ 9,044' = 1 1/2o Drill from 9,097' to 9,114' (143 RPM motor & 40 RPM rotary - 45K bit wt.)

01/03/2003 Depth 9,605
Progress 491
AFE: 22151 Present Operation: Drlg

Drill from 9,114' to 9,286' (149 RPM motor & 40 RPM rotary - 45K bit wt.) Service rig Drill from 9,286' to 9,571' (149 RPM motor & 40 RPM rotary - 45K bit wt.) WLS @ 9,527' = 1 1/2o Drill from 9,571' to 9,605' (149 RPM motor & 40 RPM rotary - 45K bit wt.)

01/04/2003 Depth 10,025
Progress 420
AFE: 22151 Present Operation: Drlg

Drill from 9,605' to 9,761' (149 RPM motor & 40 RPM rotary - 45K bit wt.) Service rig Drill from 9,761' to 10,025' (149 RPM motor & 40 RPM rotary - 45K bit wt.) - returned to the steel pits & started mud up at 10,000'

01/05/2003 Depth 10,230
Progress 205
AFE: 22151 Present Operation: Drlg

Drill from 10,025' to 10,045' (149 RPM motor & 40 RPM rotary - 45K bit wt.) Service rig WLS @ 9,975' = 1 1/4o Drill from 10,045' to 10,181' (149 RPM motor & 40 RPM rotary - 45K bit wt.) Drop Totco @ 10,134' = 1o & trip out for bit - Bit # 4 8 3/4" HTC HR-S38CH SN# 5021454 3-14's in @ 7,607' out @ 10,181' cut 2,574' in 111.25 hrs. condition = T3 B4 in gauge - change bits - checked reamers & IBS's for gauge - OK - was going to change out motors - Halliburton DynaDrill sent out a motor with the wrong connection - 4 1/2" Reg. Instead of 4 1/2" XH TIH with Bit # 5, same mud motor, BHA & DC's - test motor - OK TIH with DP to 10,112' Install new rotating head rubber & adjust brakes Wash & ream 69' to bottom from 10,112' to 10,181' - no fill Drill from 10,181' to 10,230' (156 RPM motor & 30 RPM rotary - 40K bit wt.) EPOCH = 200 units of gas with 1' to 3' gas flare - trip gas = 350 units with 10' to 15' gas flare

01/06/2003 Depth 10,535
Progress 305
AFE: 22151 Present Operation: Drlg

Drill from 9,605' to 9,761' (149 RPM motor & 40 RPM rotary - 45K bit wt.) Service rig Drill from 9,761' to 10,025' (149 RPM motor & 40 RPM rotary - 45K bit wt.) - returned to the steel pits & started mud up at 10,000'

01/07/2003 Depth 10,805
Progress 270
AFE: 22151 Present Operation: Drlg

Drill from 10,535' to 10,614' (155 RPM motor & 36 RPM rotary - 45K to 47K bit wt.) Service rig Drill from 10,614' to 10,677' (155 RPM motor & 36 RPM rotary - 47K bit wt.) WLS @ 10,607' = 1 3/4o Drill from 10,677' to 10,805' (156 RPM motor & 36 RPM rotary - 48K bit wt.)

01/08/2003 Depth 10,903
Progress 98
AFE: 22151 Present Operation: Drlg

Drill from 10,805' to 10,806' (156 RPM motor & 36 RPM rotary - 48K bit wt.) - pump pressure went to 2,700# with bit on bottom - 2,000# with bit off bottom - motor locking up Service rig Drop Totco @ 10,806' = 1 1/2o & trip out for motor (wet string) Checked IBS's & BHR for gauge - OK - changed out motor & bit - Bit # 5 8 3/4" HTC HR-S44C 3-15's SN = 6008833 in @ 10,181' out @ 10,806' cut 625' in 51.5 hrs. condition = T3 B4 in gauge TIH with Bit # 6, new motor, BHA & DC's - test motor - OK Cut drilling line Continue TIH & install rotating head rubber Wash & ream 50' to bottom - no fill Drill from 10,806' to 10,903' (155 RPM motor & 30 RPM rotary - 40K bit wt.)

01/09/2003 Depth 10,980
Progress 77
AFE: 22151 Present Operation: Drlg

Drill from 10,903' to 10,936' (155 RPM motor & 30 RPM rotary - 40K to 43K bit wt.) Service rig Rig repair - 1" horizontal crack developed in mandrel of swivel - called for replacement swivel out of Patterson's Hobbs, NM Yard - broke out kelly & LD bad swivel - PU replacement swivel - wrong connection on swivel - called for X~O sub - made up X~O sub & kelly - attempted to go back to drilling - swivel leaked - checked packing in swivel - missing parts in the packing assembly of the rebuilt swivel - called for another replacement swivel out of Patterson's Midland Yard - broke out kelly & swivel - PU replacement swivel (circulated well through hose

& TIW valve for 14 1/2 hrs. - 80' off bottom) Drill from 10,936' to 10,980' (155 RPM motor & 30 RPM rotary - 43K bit wt.) EPOCH gas = 789 units with a 1' to 3' gas flare

01/10/2003 Depth 11,185
Progress 205
AFE: 22151 Present Operation: Drlg

Drill from 10,980' to 11,026' (155 RPM motor & 30 RPM rotary - 43K bit wt.) Service rig Drill from 11,026' to 11185' (155 RPM motor & 30 RPM rotary - 48K bit wt.)

01/11/2003 Depth 11,295
Progress 110
AFE: 22151 Present Operation: TIH with Bit #7

Drill from 11,185' to 11,215' (155 RPM motor & 30 RPM rotary - 48K bit wt.) Service rig Drill from 11,215' to 11,295' (155 RPM motor & 30 RPM rotary - 48K bit wt.) - pump pressure rising to 2,450# when trying to apply more than 35,000# weight to bit - motor trying to stall out Slug DP & drop Totco @ 11,295' = 1o & POOH for motor & bit - Bit # 6 8 3/4" HTC HR-S38CH SN = 5019426 3-16's in @ 10,806' out @ 11,295' cut 489' in 57.75 hrs. condition = T4 B6 1/16" out of gauge - checked IBS's & BHR for gauge - OK PU & TIH with Bit # 7, new motor, BHA & DC's - test motor - OK Cut drilling line Continue TIH with Bit # 7

01/12/2003 Depth 11,477
Progress 182
AFE: 22151 Present Operation: Drlg

TIH with Bit # 7 to 11,200' Wash & ream 95' to bottom from 11,200' to 11,295' - no fill Drill from 11,295' to 11,310' (145 RPM motor & 30 RPM rotary with 35K to 37K bit wt.) Service rig Drill from 11,310' to 11,477' (145 RPM motor & 30 RPM rotary with 45K bit wt.)

01/13/2003 Depth 11,715
Progress 238
AFE: 22151 Present Operation: Drlg

Drill from 11,477' to 11,563' (145 RPM motor & 30 RPM rotary with 45K bit wt.) Service rig Drill from 11,563' to 11,715' (145 RPM motor & 30 RPM rotary with 45K bit wt.)

01/14/2003 Depth 11,950
Progress 235
AFE: 22151 Present Operation: CIRC for OH Logs

Drill from 11,715' to 11,786' (145 RPM motor & 30 RPM rotary with 45K bit wt.) Service rig (DH) WLS @ 11,716' = 1o Drill from 11,786' to 11,950' TD (145 RPM motor & 30 RPM rotary with 45K bit wt.) - reached TD of 8 3/4" hole at 2:15 AM (CST) 1/14/2003 Circulate 10 stand short trip out to 11,000' & TIH - no problems - no fill Circulate for open hole logs

01/15/2003 Depth 11,950
Progress 0
AFE: 22151 Present Operation: Running OH Logs

Circulate for open hole logs Slug DP & drop Totco @ 11,950' = 3/4o & trip out (SLM) for open hole logs - SLM = 11,948.60' Pulled wear bushing - RU Halliburton & running open hole logs - logger's TD = 11,944'

01/16/2003 Depth 11,950
Progress 0
AFE: 22151 Present Operation: Prep to Run 5-1/2" Casing

Running open hole logs with Halliburton - RD Halliburton RU Computalog & run 9 5/8" Csg. Inspection Log - some wear between 225' & 1,400' - worst at 880' TIH with rerun Bit # 7, bit sub, DC's & DP to 4,500' Break circulation at 4,500' & service rig Continue TIH to 9,000' Break circulation at 9,000' Continue TIH to 11,900' Wash 50' to bottom from 11,900' to 11,950' TD - no fill Circulate at 11,950' TD - 10'

to 15' gas flare RU laydown machine & POOH LD DP & DC's - break kelly RU casing crew & preparing to start running 5 1/2" casing

01/17/2003 Depth 11,950
Progress 0
AFE: 22151 Present Operation: Installing Tubing Head

Run 5 1/2" casing (See Casing Detail) - total pipe = 11,960.44' set @ 11,950' KB with 5 1/2" Halliburton DV Tool set @ 7,015' to 7,017' KB Circulate to clear casing & to circulate bottoms up Halliburton cemented 1st stage (Lead) 500 sx Interfill "H" + 1/4# Flocele + 5# Gilsonite + 0.2% HR-7 (Tail) 400 sx Super "H" + 1# Salt + 0.3% CFR-3 + 0.5% LAP-1 + .25# D-AIR 3000 + 5# Gilsonite + 1/4# Flocele + 0.25% HR-7 - plug down & bumped with 2,038# at 5:48 PM 1/16/03 - floats held OK Dropped bomb & opened DV Tool with 528# at 6:31 PM 1/16/03 Circulated through DV Tool - circulated 100 sx cement to pit from 1st stage Halliburton cemented 2nd stage (Lead) 650 sx Interfill "C" + 1/4# Flocele (Tail) 100 sx Premium Neat Cement - plug down & closed DV Tool with 2,870# at 1:50 AM 1/17/03 - held OK ND & PU BOP, set 5 1/2" casing slips in 175,000#, cut off 5 1/2" casing & LD BOP - preparing to install tubing head

01/18/2003 Depth 11,950
Progress 0
AFE: 22151 Present Operation: Released Rig

Installed an 11" 5,000# X 7 1/6" 5,000# tubing head & tested head to 4,000# - OK - jetted & cleaned the steel pits - Released Patterson-UTI Rig # 75 to go to the White Baby Com # 4 at 12:00 noon (CST) 1/17/2003 RD Patterson-UTI Rig # 75 Pro Wireline Inc. ran temperature survey to find top of cement on 2nd stage - TOC @ 1,820' GL