

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department.

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		Shugart; Strawn North
Property Code	Property Name	Well Number
	MAGNUM 5 FEDERAL COM.	4
OGRID No. 162683	Operator Name	Elevation
	GRUY PETROLEUM MANAGEMENT CO.	3711'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	5	18-S	31-E		1980	SOUTH	1190	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	Y	C	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
39.97 Ac.	39.99 Ac.	40.01 Ac.	40.03 Ac.
1650'			
Magnum 5 Fed Com 1 Morrow			
1650'			
RECEIVED JUN 01 2004 OCD-ARTESIA			
Magnum 5 Fed Com 4			
3704.5' 3702.4' 700' 3708.9' 3708.6'			
Magnum 5 Fed Com 4			
NM68039			
160 acres			
940 710 660			
Magnum Federal 5 Com 2			
1660			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Zeno Farris
Signature
Zeno Farris
Printed Name
Mgr. Operations Admin.
Title
May 25, 2004
Date

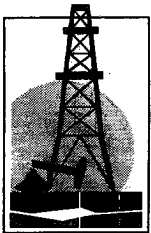
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 23, 2003

Date Surveyed
Signature: *GARY EIDSON*
Professional Surveyor
NEW MEXICO
10/28/03
03.11.2001
Certified No. GARY EIDSON 12641

Magnum Federal 5 Com 3



Gruy Petroleum Management Co.

600 East Las Colinas Blvd. ♦ Suite 1100 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6450

Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

A subsidiary of Magnum Hunter Resources, Inc. • A NYSE Listed Company • "MHR"

May 25, 2004

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe, NM 87505
Attn: Mr. Michael Stogner

RECEIVED

JUN 01 2004

OCD-ARTESIA

Re: Unorthodox Location Exception
Magnum 5 Federal Com No. 4
1980' FSL & 1190' FEL, Sec. 5 18S-31E
Eddy County NM

Dear Mr. Stogner:

The referenced well was scheduled to be drilled at an orthodox location of 1900' FSL & 990' FEL in the newly created Shugart; Strawn, North pool. We had to move the well initially 50' west and 80' north to get away from a GPM pipeline and a power line. After BLM inspection we were requested to move the well another 150' west due to a drop off in the sand dunes near by. The Shugart; Strawn, North field rules call for 660' set backs from a quarter section, and no closer than 330' from a quarter/quarter. The final location of Magnum 5 Federal Com 4 of 1980 FSL & 1190 FEL is unorthodox as to distance from the quarter/quarter.

The Well Dedication and Acreage Plat Form C-102 is attached for your reference. Since the well is no closer than 660' to the outer boundary of our lease, and spacing unit, a list of offset operators has not been provided. In view of the multiple moves for safety and drainage purposes, please grant an exception to the location requirements of the Shugart; Strawn, North pool rules, for our Magnum 5 Federal Com # 4 well..

If you have any questions, or require additional information concerning this application, please feel free to contact the undersigned at 972-443-6489.

Sincerely,

Zeno Farris
Manager, Operations Administration

New Mexico Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210
Attn: Mr. Bryan Arrant