

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC -065347
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972.401.3111	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1450' FSL & 965' FEL Sec 29 24S-26E		8. Well Name and No. White City Penn 29 Gas Com Unit 1 # 3
		9. API Well No. 30-015-33316
		10. Field and Pool, or Exploratory Area White City; Penn (Gas)
		11. County or Parish, State Eddy, NM

MAY 03 2004
OCC-ARTESIA

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 checked="" 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.)

04-01-04 Spud 17-1/2" hole at 6am CST.

04-02-04 Ran 13-3/8" surface casing to 373.' Cemented 1st lead 100 sx Thixotropic Cement (Prem Plus, 10# Cal-Seal, 10# Gilsonite, 1/2# Flocele, 2% CaCl. Cemented 2nd lead 190 sx Premium Plus cement, 4% Gel, 2% CaCl, 1/4# Flocele. Tail 150 sx Premium Plus + 2% CaCl. Bumped with 240#.

04-03-04 Ran temp survey & TOC 20.' WOC 20.75 hours.

04-06-04 Ran 9-5/8" casing to 1654.' Cemented lead 950 sx Interfill C + 1/4# Flocele per sx. Tail 200 sx Premium Plus + 2% CaCl per sx. Bumped with 1000#. Circulated 73 sx to surface. WOC 22 hrs.

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

Natalie Krueger

Signature

Title

Production Assistant

Date

April 27, 2004

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

April 1, 2004 Thru April 6, 2004

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77291 WHITE CITY PENN 29 GCU 1 #3

EDDY, NM

Sec 29, T24S, R26E

W.I. Pct BCP 100.00 %

W.I. Pct ACP 100.00 %

Morrow / 13,000'

04/01/2004 Depth 0
Progress 0
AFE: 24106 Present Operation: Preparing to Spud

Location staked by John West Surveying Co. on 1/21/2004 - 1,450' FSL & 965' FEL of Sec. 29 T-24-S R-26-E in Eddy County, New Mexico. B&H Construction built location, road & pits 3/19/04 to 3/31/04. Abbott Brothers set 20" conductor pipe at 39' FGL & cemented with 4 yds. ready mix cement - dug rat & mouse holes on 3/27 & 3/28/2004. Akome, Inc. plastic lined reserve pit on 3/30/04 - JWS put water in reserve pit to hold down the plastic on 3/30/04. MIRU Patterson-UTI Rig # 75 on 3/30/04 & 3/31/04. Welded flow nipple onto conductor pipe - mixed spud mud - preparing to spud well.

04/02/2004 Depth 373
Progress 311
AFE: 24106 Present Operation: Drlg

Drill from 62' to 78' - lost 100% returns @ 78' KB (Spud 17 1/2" Hole at 6:00 AM (CST) 4/1/2004) - notified Jim Amos with the BLM of spudding well & losing circulation - mix & pump viscous LCM pill Drill from 78' to 158' - no returns - mixing viscous LCM pills - service rig Drill from 158' to 217' - no returns WLS @ 165' = 1o Drill from 217' to 373' TD - 20% returns starting at 280' to 50% returns by 373' (reached TD of 17 1/2" hole at 11:00 PM (CST) 4/1/2004) Circulate & pump viscous sweep with LCM Drop Totco @ 373' = 2 3/4o & trip out to run 13 3/8" surface casing - LD BHR, shock sub & bit RU casing crew & ran 13 3/8" casing (See Casing Detail) RU Halliburton - washed down 15' of light fill & circulated to clear 13 3/8" casing Hall. cemented 13 3/8" csg. (1st Lead) 100 sx Thixotropic Cement [Prem. Plus Cmt., 10# Cal-Seal, 10# Gilsonite, 1/2# Flocele & 2%CaCl] (2nd Lead) 190 sx Prem.+ Cement, 4% Gel, 2% CaCl & 1/4# Flocele (Tail) 150 sx Prem. Plus Cement + 2% CaCl - plug down & bumped with 240# at 5:00 AM (CST) 4/2/04 - no cement to surface - Clark Bennett w/ the BLM witnessed entire job - WOC to run temperature survey - 25% returns to no returns to 50% returns during cement job

04/03/2004 Depth 490
Progress 117
AFE: 24106 Present Operation: Drlg

WOC - cut off 20" conductor pipe - Keltic Services ran temperature survey after 4 hrs. WOC - TOC @ 20' GL - PU & TIH on back side of 13 3/8" casing with 2 jts. of 1" tubing & tagged TOC at 45' DF Halliburton mixed & pumped 12 sx Prem Plus Cement + 3% CaCl - circulated cement to surface WOC & jet steel pits Cut off 13 3/8" casing & weld on a 13 3/8" SO X 13 5/8" 3,000# Braden Head & test to 500# - OK NU BOP & choke manifold Test BOP blind rams & choke manifold to 1,000# with rig pump - OK PU & TIH with Bit # 2, motor, BHA & 8" DC's - tagged cement at 405' Test BOP Hydriol to 1,000# with rig pump - OK Drill cement, wiper plug, float collar, cement & shoe from 405' to 373' Drill from 373' to 490' (88 RPM motor - 40 RPM rotary - 28K to 30K bit wt.) - back on formation at 2:00 AM (CST) 4/3/2004

04/04/2004 Depth 1,060
Progress 570
AFE: 24106 Present Operation: Drlg

Tuesday, 27 April, 2004

WHITE CITY PENN 29 GCU 1 #3

WLS @ 402' = 2 1/4o Drill from 490' to 651' (88 RPM motor - 40 RPM rotary - 28K to 30K bit wt.) WLS @ 574' = 2o Service rig Drill from 651' to 841' (88 RPM motor - 40 RPM rotary - 12K to 30K bit wt.) WLS @ 764' = 1 1/2o Drill from 841' to 1,017' (88 RPM motor - 40 RPM rotary - 12K to 30K bit wt.) Time Change - Change Clocks From CST to CDT Drill from 1,017' to 1,040' (88 RPM motor - 40 RPM rotary - 25K to 30K bit wt.) WLS @ 1,000' = 1 1/4o Drill from 1,040' to 1,060' (88 RPM motor - 40 RPM rotary - 25K to 30K bit wt.) Top of Salt @ 815' - MW started rising at that point from 8.4 #/gal. to 8.8 #/gal.

04/05/2004 Depth 1,645
 Progress 585
 AFE: 24106 Present Operation: Drlg

Drill from 1,060' to 1,251' (88 RPM motor - 40 RPM rotary - 10K to 30K bit wt.) Service rig Drill from 1,251' to 1,282' (88 RPM motor - 40 RPM rotary - 10K to 15K bit wt.) WLS @ 1,205' = no picture Drill from 1,282' to 1,314' (88 RPM motor - 40 RPM rotary - 10K to 15K bit wt.) WLS @ 1,237' = 1/4o Drill from 1,314' to 1,504' (88 RPM motor - 40 RPM rotary - 10K to 40K bit wt.) WLS @ 1,432' = 3/4o Drill from 1,504' to 1,645' (88 RPM motor - 40 RPM rotary - 40K bit wt.) Top of 1st Salt @ 815' & bottom @ 988' Top of 2nd salt @ 1,161' & bottom @ 1,384' Note: No brine water was added to mud system - MW at report time = 9.7 #/gal.

04/06/2004 Depth 1,654
 Progress 9
 AFE: 24106 Present Operation: PU BHA

Drill from 1,645' to 1,654' TD (88 RPM motor - 40 RPM rotary - 40K bit wt.) reached TD of 12 1/4" hole at 7:00 AM (CDT) 4/5/04 - ran Davis Fluid Caliper - it will take 1,963 ft.3 of cement to circulate to surface with 9 5/8" casing set at 1,654' - 281% wash-out due to drilling with fresh water Pump 80 Bbl. viscous sweep & circulate Drop Totco @ 1,585' = 1/2o & trip out standing 10 stands DP in derrick RU lay down machine & POOH LD 17- 8" DC's, IBS, BHR, motor & Bit # 2 RU casing crew & ran 9 5/8" casing (See Casing Detail) - RD casing crew & lay down machine RU Halliburton - washed 6' of fill from 1,648' to 1,654' TD & circulated to clear casing Hall. cemented 9 5/8" csg. (Lead) 950 sx Interfill "C" + 1/4# Flocele per sx, followed by (Tail) 200 sx Premium Plus Cement + 2% CaCl per sx - plug down & bumped with 1,000# at 4:43 PM (CDT) 4/5/04 - circulated 73 sx cement to surface - Paul Swartz with the BLM witnessed job ND & PU BOP - set 9 5/8" casing slips in 65,000# - cut off 9 5/8" casing - install a 13 5/8" 3,000# X 11" 5,000# "B" Section well head spool & test to 2,500# - OK - NU BOP & choke manifold Test BOP, choke manifold & associated equipment with Man Welding Service to 5,000# - OK - Paul Swartz w/ the BLM was notified, but didn't witness the tests