

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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		RECEIVED AUG 27 2004 OCD-ARTESIA	5. Lease Serial No. NMNM 92160
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. NMNM 111040
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL 330' FNL & 1980' FEL Sec. 27 T25S - R26E BHL 1876' FNL & 1594' FEL Sec. 27 T25S - R26E			8. Well Name and No. Chosa Draw 27 Fed Com No. 1
			9. API Well No. 30-015-32918
			10. Field and Pool, or Exploratory Area Cottonwood Draw Morrow/Penn
			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			
<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 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 <u>Extension of</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>temporary flowline &</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Offlease Measurement</u>

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.)

Request permission to extend our temporary flowline and off lease measurement on the Chosa Draw 27 Federal Com # 1. well. The permanent ROW of Hunter Gas Gathering is trenched and pipe laid up to the Federal 13 Com 1 well pad. All permits and arc surveys are in for an amendment to the ROW for a meter station on the Federal 13 well pad. Upon approval and construction of the meter station, Hunters White City Gathering System will be activated and the temporary flowline terminated. It is estimated that it will take 10 to 14 days to complete the meter station.

approved until 10/29/04

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 August 5, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>/s/ Joe G. Lara</i>	Title FIELD MANAGER	Date <i>8/24/04</i>
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 CARLSBAD FIELD 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.