

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Gruy Petroleum Management Co.

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

3b. Phone No. (include area code)
972.401.3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1450' FSL & 965' FEL Sec 29 24S-26E

5. Lease Serial No.

LC -065347

6. If Indian, Allottee or Tribe Name

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

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

RECEIVED
AUG 30 2004
OCD-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 7" 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.)

04-18-04 Ran 7" 26# & 23# HCP-110 LT&C casing to 8494.' Cemented first stage lead 265 sx Interfill "H" + 5# Gilsonite + 1/4# FLocele.
Cemented tail 150 sx Super "H" + 12.5 Salt + 0.4% CFR-3 + 0.5% LAP-1 + .25# D-AIR3000 + 5# Gilsonite + 1/4# FLocele + 1% HR-7.
Plugged down and bumped with 1400# at 11:30 pm. Circulated 61 sx.

04-19-04 Cemented second stage lead 500 sx Interfill "C" and tail 150 sx Premium Plus Neat. Plugged down and closed DV tool with 2500# and circulated 57 sx to pit. WOC 14.5 hours.

Please see attached drilling report.

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

Natalie Krueger

Signature

Natalie Krueger

Title

Production Assistant

Date

August 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 7, 2004 Thru April 20, 2004

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77291 WHITE CITY PENN 29 GCU 1 #3

EDDY, NM

29-T24S-R26E, SE/4

W.I. Pct BCP 100.00 %

W.I. Pct ACP 100.00 %

Morrow / 13,000'

04/07/2004 Depth 2,410

Progress 756

AFE: 24106 Present Operation: Drlg

PU & TIH with BHA & DC's - test motor - OK Service rig - RU 8" flow line to suction side of outside reserve pit - pit built with wrong slope TIH with 4 1/2" DP out of derrick - LD 13 jts. DP - tagged cement at 1,598' Test 9 5/8" casing, BOP & well head to 1,850# for 10 mins. with rig pump - OK Drill cement, wiper plug, float collar, cement & shoe from 1,598' to 1,654' Drill from 1,654' to 1,680' (149 RPM motor - 40 RPM rotary - 28K bit wt.) - back on formation at 1:15 PM (CDT) 4/6/2004 Test formation from 1,654' to 1,680' to an EMW of 10.5 #/gal. with 8.4 #/gal. MW with 183# for 10 mins. with rig pump - OK - checked Teledrift @ 1,638' = 1o Drill from 1,680' to 1,933' (149 RPM motor - 40 RPM rotary - 28K bit wt.) - Teledrift @ 1,891' = 1o Drill from 1,933' to 2,343' (149 RPM motor - 40 RPM rotary - 28K bit wt.) - Teledrift @ 2,301' = 1o Drill from 2,343' to 2,410' (149 RPM motor - 40 RPM rotary - 28K bit wt.) BGG = 26 units - conn. gas = 0 units - max. gas = 45 units - Lag = 22 mins. - show: 2,370' to 2,408' - 180 units gas, good cut, light stain & bright yellow flour.

04/08/2004 Depth 3,407

Progress 997

AFE: 24106 Present Operation: Drlg

Drill from 2,410' to 2,722' (149 RPM motor - 40 RPM rotary - 28K bit wt.) Teledrift @ 2,680' = 1o Service rig Drill from 2,722' to 3,133' (149 RPM motor - 40 RPM rotary - 28K to 30K bit wt.) Teledrift @ 3,091' = 1o Drill from 3,133' to 3,407' (149 RPM motor - 40 RPM rotary - 30K bit wt.)

04/09/2004 Depth 4,130

Progress 723

AFE: 24106 Present Operation: Drlg

Drill from 3,407' to 3,506' (149 RPM motor - 40 RPM rotary - 30K to 32K bit wt.) Teledrift @ 3,464' = 1/2o Service rig Drill from 3,506' to 3,696' (149 RPM motor - 40 RPM rotary - 32K to 35K bit wt.) Pump through & test mud gas separator Drill from 3,696' to 3,950' (149 RPM motor - 40 RPM rotary - 32K to 35K bit wt.) Teledrift @ 3908' = 1/2o Drill from 3,950' to 4,130' (149 RPM motor - 40 RPM rotary - 32K to 35K bit wt.)

04/10/2004 Depth 4,782

Progress 652

AFE: 24106 Present Operation: Drlg

Drill from 4,130' to 4,203' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.) Rig Service Drill from 4,203' to 4,361' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.) Teledrift Survey @ 4319' = 1.0 Deg Drill from 4,361' to 4,646' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.) Teledrift Survey @ 4604' = 1/2 Deg Drill from 4,646' to 4,782' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.)

04/11/2004	Depth	5,287
	Progress	505
AFE: 24106	Present Operation:	Drlg
<p>Drill from 4,782' to 5025' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.) Teledrift Survey @ 4983' = .50 Deg Rig Service Drill from 5,025' to 5277' (149 RPM motor - 40 RPM rotary - 38K to 42K bit wt.) Drop Totco TOH C/O Bit & Motor Function Test BOP TIH w/ BHA Test Motor Finish TIH Ream 80' to Bottom Drill from 5,277' to 5287' (149 RPM motor - 40 RPM rotary - 35k Bit Weight.) BGG = 96 units - conn. gas = 0 units - max. gas = 164 units - Lag = 44 mins. - no shows</p>		
04/12/2004	Depth	6,280
	Progress	953
AFE: 24106	Present Operation:	Drlg
<p>Drill from 5,287' to 5,564' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Rig Service Drill from 5,564' to 5,722' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 5,680' = 1 1/2 deg Drill from 5,722' to 6,196' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 6,154' = 1 deg Drill from 6,196' to 6,280' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.)</p>		
04/13/2004	Depth	7,100
	Progress	820
AFE: 24106	Present Operation:	Drlg
<p>Drill from 6,280' to 6,577' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Rig Service Drill from 6,577' to 6,609' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 6,567' = 1/2 deg Drill from 6,609' to 6,989' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 6,947' = 1/4 deg Drill from 6,689' to 7,100' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.)</p>		
04/14/2004	Depth	7,748
	Progress	648
AFE: 24106	Present Operation:	Drlg
<p>Drill from 7,100' to 7,274' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Rig Service Drill from 7,274' to 7,369' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 7,327' = 1/2 deg Drill from 7,369' to 7,748' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.)</p>		
04/15/2004	Depth	8,009
	Progress	261
AFE: 24106	Present Operation:	Reaming
<p>Drill from 7,748' to 7,812' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Teledrift Survey @ 7,327' = 1.0 deg Rig Service Drill from 7,812' to 8,009' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Bit died TOH. C/O Bit and Motor. Bit graded 8-4-1/2 TIH w/ BHA. Test Motor Slip and cut drilling Line TIH Ream from 7857' to 7969</p>		
04/16/2004	Depth	8,500
	Progress	491
AFE: 24106	Present Operation:	CIRC to TOH for Logs
<p>Ream from 7,969' to 8,009 Drill from 8,009' to 8,055' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Bit died Rig Service Drill from 8,055' to 8,223' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Bit died Teledrift Survey @ 8,181' = 1 deg Drill from 8,223' to 8,500' (149 RPM motor - 40 RPM rotary - 40k Bit Weight.) Bit died TD 8 3/4" hole @ 6:00 A.M. CST on 4/16/04 BGG = 269 units - conn. gas = 0 units - max. gas = 332 units - Lag = 55 mins. - no shows</p>		
04/17/2004	Depth	8,500
	Progress	0
AFE: 24106	Present Operation:	LD DP

Circ and sweep hole x 2. Drop Totco TOH. LD teledrift, motor and reamers RU Howco and Log as

follows: Short Spaced Sonic from Loggers TD at 8,494; to 1651' Dual - Spaced Neutron Spectrial Density from Loggers TD at 8,494' to 200' Dual Laterlog Micro Guard from Loggers TD at 8,494' to 1,651' Attempted SFL at several settings. Could not get seal TIH Wash to Bottom Circ and RU LD Machine LD DP

04/18/2004 Depth 8,500
 Progress 0
 AFE: 24106 Present Operation: WOC 1st stage cement

LD DP & DC's. Break down Kelly RU Csg tools and Crew Run 7" 26# and 23# HCP-110 LT&C Csg. (See Csg Detail) Nu Howco Head and Circ 7' Csg Hall. Cmt. 1st stage (Lead) 265 sx Interfill "H" + 5# Gilsonite + 1/4# Flocele - then (Tail) 150 sx Super "H" + 12.5 Salt + 0.4% CFR-3 + 0.5% LAP-1 + .25# D-AIR 3000 + 5# Gilsonite + 1/4# Flocele & .1% HR-7 - plug down & bumped with 1400# at 11:30 P.M. (CST) 4/17/04 - floats held OK Drop bomb. Open DV and Circ thru DV. Circ 61 sks Cement off DV Tool Circ and WOC 1st Stage

04/19/2004 Depth 8,500
 Progress 0
 AFE: 24106 Present Operation: RU lay down machine

Halliburton cemented 2nd stage (Lead) 500 sx Interfill "C" - (Tail) 150 sx Premium Plus Neat Cement - plug down & closed DV Tool with 2,500# at 06:38 AM (CDT) 4/18/04 - held OK - full circulation through out entire job - circulated 57 sx cement to pit ND & PU BOP - set 7" casing slips in 194,000# - cut off 7" casing. NU BOP - changed BOP pipe rams from 4 1/2" to 3 1/2" - made repairs to seals on door end of BOP pipe rams - change liners in both pumps from 6" to 5" Man Welding Services tested BOP, choke manifold & associated equipment to 5,000# - Rental TIW Valve failed to test - will replace same - all other items tested OK RU Bull Rogers Laydown Machine - preparing to PU 4 3/4" DC's

04/20/2004 Depth 8,504
 Progress 4
 AFE: 24106 Present Operation: Drlg

RU Bull Rogers Laydown Machine - PU & TIH with Bit # 6, Bit Sub & 4 3/4" DC's PU Kelly & torque up all subs - weld flow nipple to flow line & strap 115 jts. 3 1/2" DP PU & TIH with 3 1/2" DP - tagged up at 4,857' Drill cement, plug, cement & DV Tool from 4,857' to 4,868' Test BOP, well head, 7" casing & DV Tool to 2,000# for 15 mins. - OK PU & TIH with 3 1/2" DP - tagged up at 8,396' Drill cement, plug, cement & float collar, cement & shoe from 8,396' to 8,494' (DP Tally) & washed down 6' of open 8 3/4" hole to 8,500' Drill from 8,500' to 8,504' (back on formation at 10:00 PM (CDT) 4/19/2004) Test 10' of open hole from 8,494' to 8,504' with 750# pressure to 11.5 #/gal. EMW with 9.8# /gal. MW Trip out for new bit & BHA - LD bit sub & Bit # 6 6 1/8" Smith OFM open center jet serial number AF52683 in @ 8,500' out @ 8,504' cut 4' in 3/4 hr. condition T3 B6 in gauge TIH with Bit # 7, BHA, & 4 3/4" DC's Cut drilling line Continue TIH with 3 1/2" DP

600 East Las Colinas Blvd.
Suite 1100
Irving, TX 75039
972-401-3111 (phone)
469-420-2710 (fax)

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Gruy Petroleum Management Co.

August 27, 2004

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201-2019
Attn: Mr. Armando Lopez

RECEIVED
AUG 30 2004
OCD-ARTESIA

RE: White City Penn 29 Gas Com Unit 1 No. 3
30-015-33316
Eddy Co., NM

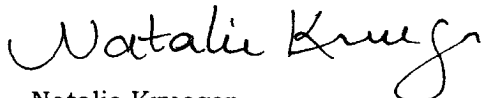
Dear Ladies and Gentlemen,

Please find enclosed (1) one original and (5) five copies of BLM Form 3160-5, Sundry Notice, for the above-mentioned well.

Please be advised that Gruy will drill this well for Chevron, but upon successful completion, operations will be turned over to Chevron.

If you have any questions or need further information, please feel free to contact me at 469-420-2723.

Sincerely,



Natalie Krueger
Production Assistant

Enclosures

Cc: New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210
Attn: Mr. Bryan Arrant

Chevron USA Inc.
Mid-Continent Business Unit
15 Smith Road
Midland, TX 79705
Attn: Denise Pinkerton/Ed Van Reet

nkrueger@magnumhunter.com