

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		RECEIVED AUG 16 2004 OCD-ARTESIA	5. Lease Serial No. NMNM 94839
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. Pending
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 1650' FEL Sec. 23 T25S - R26E			8. Well Name and No. Hackberry 23 Federal Com # 1
			9. API Well No. 30-015-33563
			10. Field and Pool, or Exploratory Area Cottonwood Draw Morrow Wldcat
			11. County or Parish, State Edgy 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 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 <u>Access road</u>
	<input 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.)

Attached are Location Verification Map, and Well Pad plat for the newly proposed access road for the Hackberry 23 Federal Com No. 1

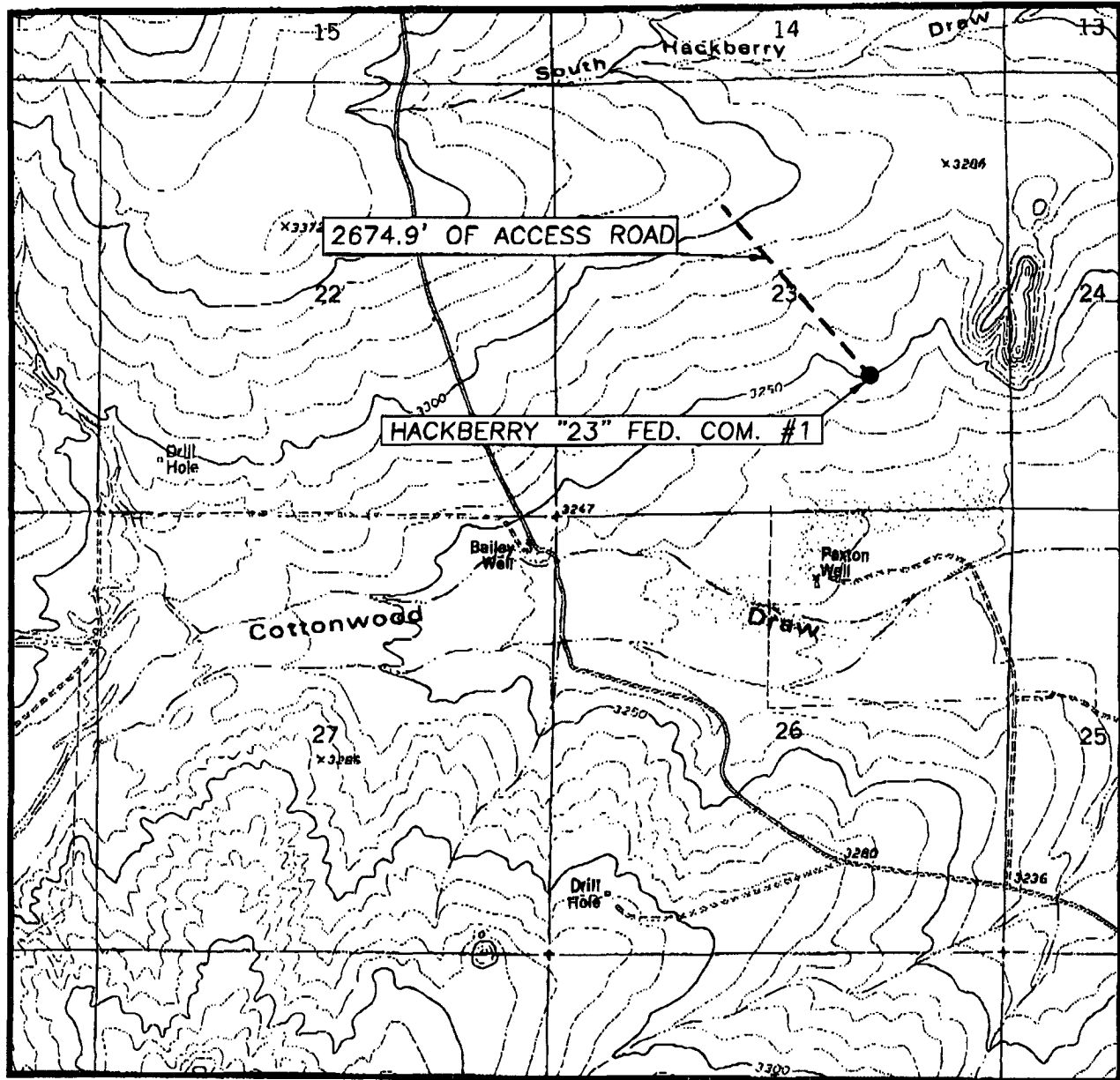
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Zeno Farris		Title Manager Operations Administration
Signature <i>Zeno Farris</i>		Date August 10, 2004

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.

LOCATION VERIFICATION MAP



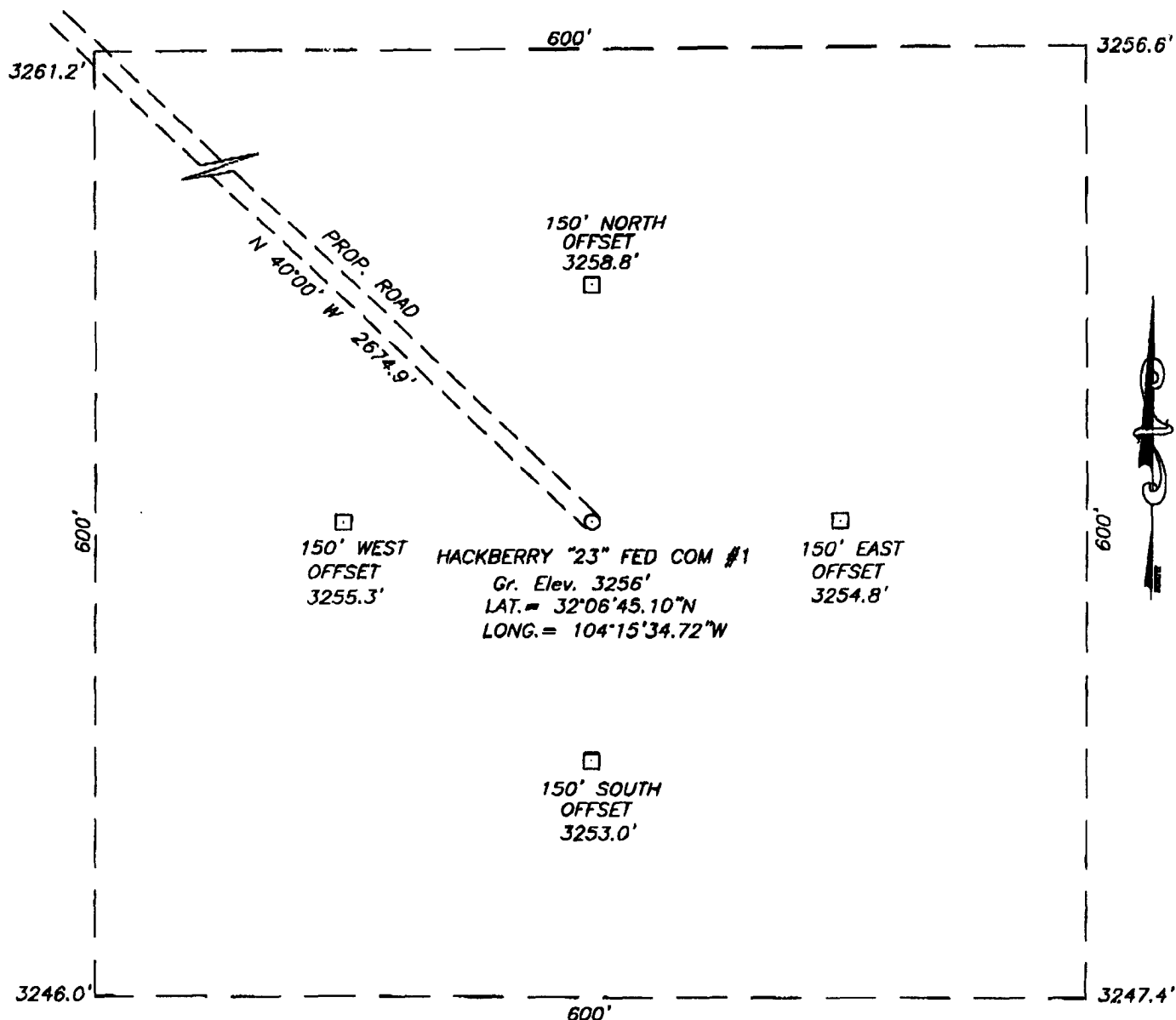
SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
JUMPING SPRING, N.M.SEC. 23 TWP. 25-S RGE. 26-ESURVEY N.M.P.M.COUNTY EDDYDESCRIPTION 1650' FSL & 1650' FELELEVATION 3256'OPERATOR GRUY PETROLEUM MANAGEMENT CO.LEASE HACKBERRY "23" FEDERAL COM.U.S.G.S. TOPOGRAPHIC MAP
JUMPING SPRING, N.M.**JOHN WEST SURVEYING**
HOBBS, NEW MEXICO
(505) 393-3117

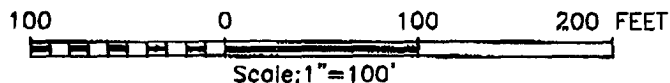
SECTION 23, TOWNSHIP 25 SOUTH, RANGE 26 EAST, N.M.P.M.,

EDDY COUNTY,

NEW MEXICO.

**DIRECTIONS TO LOCATION:**

FROM THE INTERSECTION OF EDDY CO. RD. #720 (BLACK RIVER VILLAGE RD.) AND EDDY CO. RD. #742 (JOHN C. FOREHAND RD.). GO SOUTH ON CO. RD. #742 APPROX. 10.4 MILES TO PRICKLY PEAR RD. TURN RIGHT AND GO WEST-NORTHWEST 2.5 MILES TO A EXISTING PIPELINE RD. ON THE RIGHT. TURN RIGHT AND GO 0.5 MILES NORTHEAST TO PROPOSED RD. FOLLOW PROPOSED RD. SOUTHWEST FOR APPROX. 0.5 MILES TO THIS LOCATION.

**GRUY PETROLEUM MANAGEMENT COMPANY**

THE HACKBERRY "23" FEDERAL COM #1 LOCATED 1650' FROM THE SOUTH LINE AND 1650' FROM THE EAST LINE OF SECTION 23, TOWNSHIP 25 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO

Survey Date: 03/04/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0253	DRAWN BY: L.A. REV: 7/09/04
Date: 03/11/04	DISK: CD#10 04.11.0253 Scale: 1"=100'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117