

District I
1625 N. French Dr. Hobbs, NM 88240
District II
811 South Eirst Artesia NM 88210
District III
1000 Rio Brazes Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-107
Revised March 17, 1999

RECEIVED
Instructions
At Bottom of Page

MAY 24 2004

OCC-ARTESIA

APPLICATION FOR MULTIPLE COMPLETION

Gruy Petroleum Management Co.

P.O. Box 140907 Irving, TX 75014

Operator

Address

Chosa Draw 27 Federal Com

1

B

270

25S 26E

Eddy

Lease

Well No.

Unit Ltr. - See - Twp - Rge

County

All applicants for multiple completion must complete items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cottonwood Draw; Upper Penn		Cottownwood Draw; Mrw Wldct
b. Top and Bottom of Pay Section (Perforations)	10,372' - 10,412'		11,836' - 12,233'
c. Type of production (Oil or Gas)	Gas	RECEIVED	Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	JUN 09 2004	Flowing
e. Daily Production ☒ Actual ☒ Estimated Oil Bbls. Gas MCF Water Bbls.	1015 mcf acutal	OCC-ARTESIA	528 mcf flow test

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief

Signature

Zeno Farris

Printed Name & Title Zeno Farris Manager Operations Admin.

Date May 20, 2004

Telephone 972-401-3111

OIL CONSERVATION DIVISION

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Approved by

Title

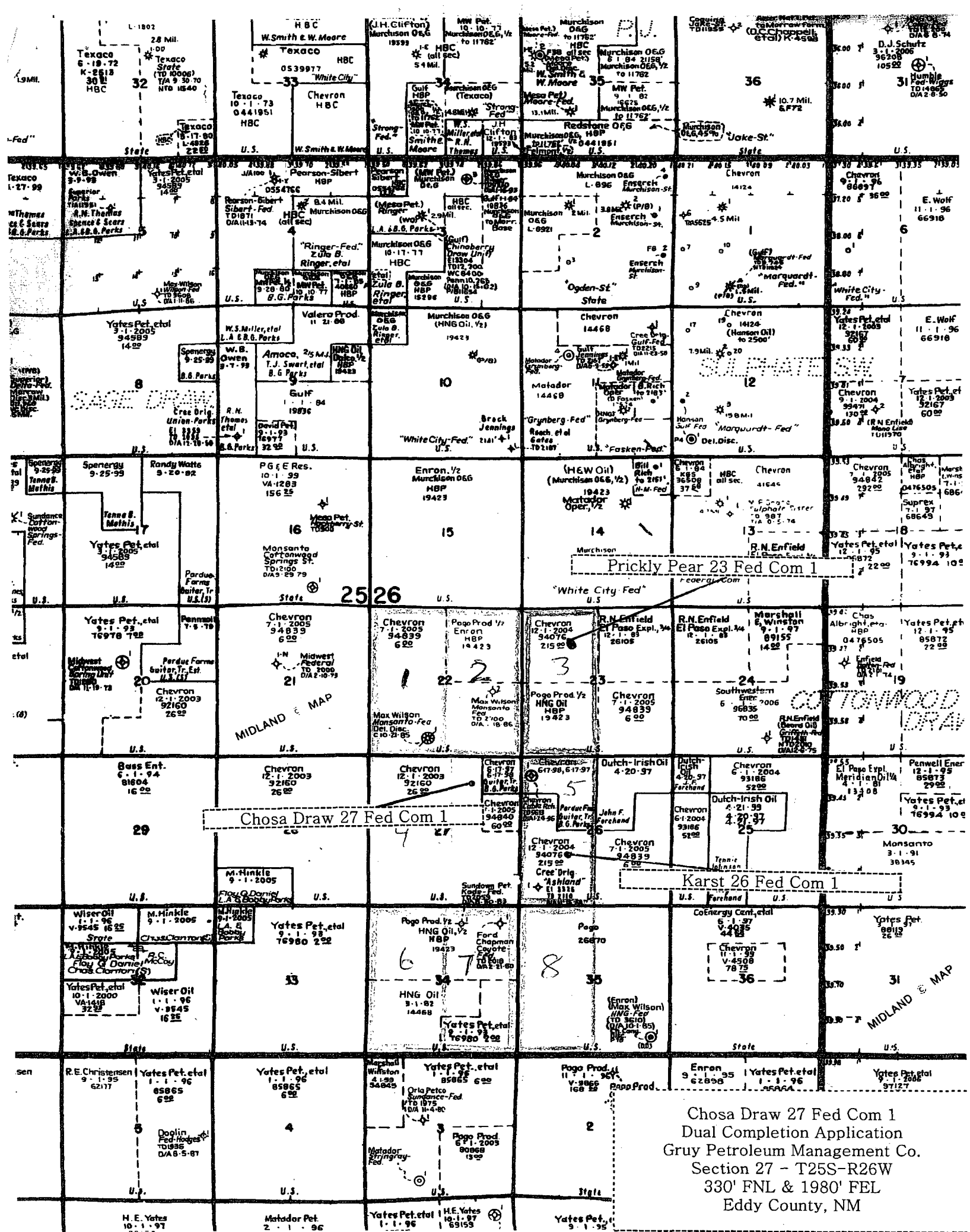
Date

JUN 25 2004

NOTE: if the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- 1) District Approval -- See Rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to Division office.
- 2) Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- 3) Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.



List of Offset SPU's
GRUY PETROLEUM MANAGEMENT CO.
Chosa Draw 27 Fed Com # 1
Cottonwood Draw Upper Penn/Morrow Wildcat Gas Pool

OFFSET SPU	COLOR CODE	Well Name	Location	OPERATOR	ACERAGE DESCRIPTION	ACRES
1	Bule	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 22 T-25S-R-26E	320
2	Blue	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 22 T-25S-R-26E	320
3	Red	Prickly Pear 23 Fed Com 1	E-23-25-26	Gruy Pet. Management Co.	W/2 Sec. 23 T-25S-R-26E	320
4	Yellow	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 27 T-25S-R-26E	320
5	Green	Karst 26 Fed Com 1	K-26-25-26	Gruy Pet. Management Co.	W/2 Sec. 26 T-25S-R-26E	320
6	Orange	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 34 T-25S-R-26E	320
7	Orange	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	E/2 Sec. 34 T-25S-R-26E	320
8	Purple	No Penn/Morrow Gas Wells		Gruy Pet. Management Co.	W/2 Sec. 35 T-25S-R-26E	320

SPUD DATE:	8/20/03
PERM. ZERO PT.:	KB=3288', DF=3287', GL=3265'
TOTAL DEPTH:	12,300' MD = 12,020' TVD
SURFACE CSG:	13-3/8" (17-1/2" hole), 54 & 48#, J-55 & H-40 @ 431'
INTER CSG:	9-5/8" (12-1/4" hole), 40#, NS-110HC & P-110 @ 3200'
PROD CSG:	7" (8-3/4" hole), 26#, P-110 & P-110HC @ 10745' w/ DV @ 5445'
PROD LNR:	4-1/2" (6-1/8" hole), 11.6#, P-110 liner from 10492'-12300'
DEVIATION:	Kick off point @ 7947' – max deviation 29.5°
TUBING:	2-7/8" L-80
PACKER:	7" Arrowset 1-XX @ 10131' w/ 2.31" F profile on/off tool 2.25" (1.97" no-go) R nipple @ 10149' 4-1/2" Arrowset 1-XX (wls) @ 11738' w/ blanking plug in 1.81" F on/off
PERFS (OPEN):	10372-10380, 10407-10413'
PBTD:	7" RBP @ 10475' w/ 2 sx sand on plug
PERFS (SO):	11836-11848, 11882-11893, 11924-11934, 12036-12046, 12150-12154, 12165-12176, 12208-12222, 12226-12233'
FUTURE PERFS:	9803-9807, 9812-9817, 9824-9829, 9834-9836, 9844-9850, 9853-9857, 9882-9886, 9918-9922'

*** * * * * SAFETY IS TOP PRIORITY * * * * ***

1. Light load tbgs. ND wellhead. NU BOP's.
2. Rls pkr and POH.
3. PU & RIH w/ ret tool on 2-7/8" tbgs. Circ ball sealers/gun debris/sand off RBP. If necessary, RU Air/foam unit to circ debris and sand from RBP.
4. Latch RBP & POH laying down 2-7/8" workstring.
5. PU & RIH w/ on/off tool, +/- 320' 2-3/8" tbgs, 50' blast joints, 1 jt 2-3/8" tbgs, sliding sleeve (opens up & closes down) and 2-3/8" tbgs to pkr +/- 11738'. Space blast joints across perms 10372-10413'. Run sliding sleeve in open position.
6. Latch pkr and space out tbgs.

7. ND BOP's & spool. NU wellhead to produce Cisco up annulus and Morrow up tbg w/ separate measurement.
8. Swab tubing to unload Cisco 10372-10413' (casing).
9. RU slickline. Close sliding sleeve. Pull blanking plug. RD slickline.
10. Swab in Morrow 11836-12233' (tubing) if necessary.
11. Put both sides on production and test. RD&RR.
12. After rate stabilizes, run 4 pt on Morrow completion.

GRUY PETROLEUM MANAGEMENT CO.

CHOSA DRAW 27 FED COM

#1

SPUDDED 8/20/03

API 30-015-32918

CURRENT COMPLETION

Sherry Reid Carroll 5/19/04

KB: 3288'

DF: 3287'

GL: 3265'

330' FNL & 1980' FEL

Sec 27, T-25-S, R-26-E

Eddy Co, New Mexico

Casing Strings:

20" Conductor @ 39' w/ 4 yds Ready-mix

13-3/8" (17-1/2" hole), 54 & 48#, J-55
& H-40 @ 431' w/ 490 sx cmt
TOC @ surface - circ

9-5/8" (12-1/4" hole), 40#, P-110 &
NS-110 @ 3200' w/ 1050 sx cmt
TOC @ surface - circ

7" (8-3/4" hole), 26#, P-110
@ 10745' w/ DV @ 5445'
1st stg - 550 sx cmt (did not circ off DV)
2nd stg - 400 sx cmt (did not circ off)

4-1/2" (6-1/8" hole), 11.6#, P-110
10492-12300' w/ 160 sx cmt
TOC @ liner top

Deviated hole from 7947'

Cisco Perfs:

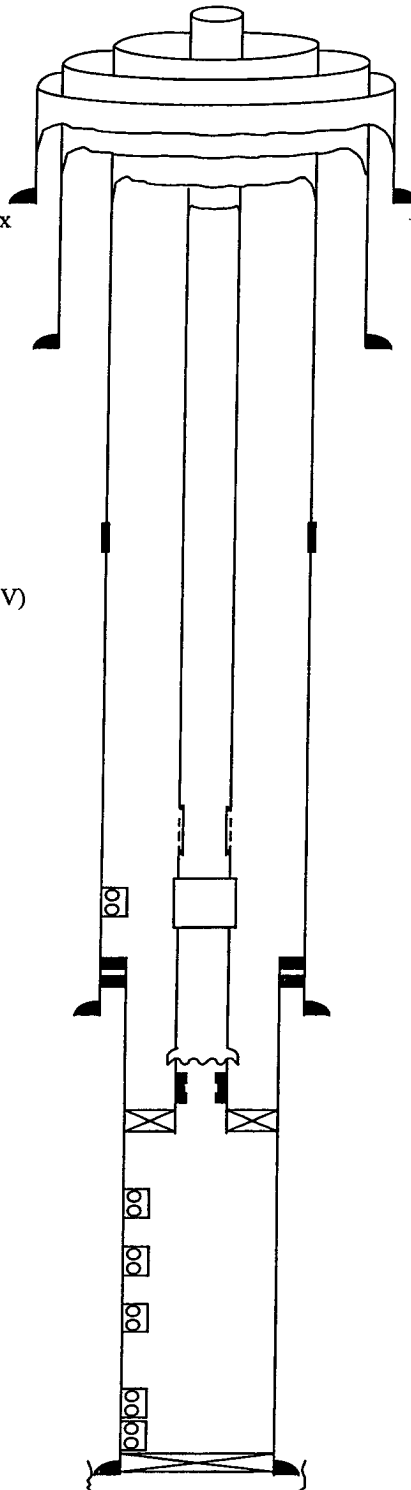
10372-80, 10407-12', 6 spf (1/6/04)

Morrow Perfs:

11836-48, 11882-93, 11924-34', 6 spf
(11/24/03) - Frac'd

12036-46', 6 spf (11/12/03) - BD,
Acid BD - Frac'd

12150-54, 12165-76, 12208-22
12226-33', 6 spf (10/21/03) - Frac'd



TUBING:

2-3/8" L-80

NOTE:

Cisco will flow up csg annulus.
Morrow will flow up tubing.

Sliding sleeve +/- 10330' (closed)

50' blast joints +/- 10362-10422'

4-1/2" Arrowset IXX (wls) pkr
w/ 1.81" F @ 11738'

CIBP @ 12267' (DO shoe jt to 12287')

TD = 12,300' MD (12020' TVD)

Empire 20 Federal Com No. 2
Sec. 20 T18S R29E
Atoka/Morrow Surface Comingling Application

Porducing Formation	Monthly Production	btu Dry	mmbtu	Average btu
Upper Penn	26,544	1.09	28932.96	Actual
Morrow	16,368	1.082	<u>17710.176</u>	Estimate
Totals	42,912		46643.136	1.086949

Working interest owned 100% by Magnum Hunter Production, Inc.
with common Federal Royalty and overriding royalty interests.