

REVISION
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 028793 A
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. NM 79054X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL 1990' FSL & 445' FWL Sec 19 17S 30E BHL 2300' FSL & 660' FWL Sec 19 17S 30E		8. Well Name and No. Grayburg Deep Unit No. 17
		9. API Well No. 30-015-34214
		10. Field and Pool, or Exploratory Area Sand Tank Morrow
		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 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 production casing
	<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 recompleate 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 recompleation 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.)

09-22-05 TD 8-3/4" hole.

09-24-05 Ran 243jts 5-1/2" 17# P-110 LTC Range 3 casing to 11300'. Cemented first stage with lead of 560sx 35:65 POZ H + 5% D-44 + 6% D-20 + 0.25% pps D-29 + 0.2% D-46 at 127ppg wt and 2.01cu/ft yield and tail of 500sx TXI Lite + 1.66% D-44 + 0.3% D-167 + 0.2% D-55 + 0.2% D-46 + 0.5% D-13 at 13.0ppg wt and 1.41cu/ft yield.

09-25-05 Cemented second stage with lead of 800sx 35:65 POZ + 5% D-44 + BWOW + 6% D-20 + 0.3% D-46 + 0.5% D-13 + 1/4pps D-29 at 12.6ppg wt and 2.03cu/ft yield and tail of 500sx H + 0.2% D-67 + 0.15% D-13 at 15.6ppg wt and 1.18cu/ft yield.

09-26-05 Released rig.

10-13-05 Tested casing to 5000psi for 30 minutes. Ran CBL and TOC is 7000'.

ACCEPTED FOR RECORD

ALEXIS C. SWOZDA
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Signature

Natalie Krueger

Title

Reg Tech

Date

November 28, 2005

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)