

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

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)
972-401-3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL 400' FNL & 330' FWL; BHL 1144' FNL & 1570' FWL

Section 12, T23S R26E

5. Lease Serial No.
NMNM 027994 D
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
SW - 514
8. Well Name and No.
Mobil 12 Federal No. 2
9. API Well No.
30-015-32752
10. Field and Pool, or Exploratory Area
Carlsbad; Morrow, South (Gas)
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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Set Production
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Casing
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

06-11-03 Ran 5-1/2" casing to 12199.' Cemented first stage with 500 sx Interfill and 600 sx Super H. Circulated 124 sx cement to reserve pit. Cemented second stage with 800 sx Interfill and 100 sx Premium Neat.
Ran temperature survey and found top of cement at 800.' Released rig at 12pm to go to the CK Federal No. 2.

ACCEPTED FOR RECORD

JUN 17 2003

acs
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

Natalie Krueger

Title

Production Assistant

Signature

Date

06-12-03

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

May 11, 2003 Thru June 12, 2003

OPERATED

CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO

77088 MOBIL 12 FEDERAL #2

EDDY, NM

12-T23S-R26E

W.I. Pct BCP 58.48 %

W.I. Pct ACP 58.48 %

Morrow / 13,000'

05/11/2003

Depth 3,988

Progress 795

AFE: 23234

Present Operation: Drlg

Nipple up BOP's. Test blind rams, pipe rams, annular, choke manifold, and kill line valves to 250 and 5000 psi. Change out swivel packing. Pick up BHA and trip in hole to float collar at 3150'. Drill plug and float collar and 20' of cement. Test casing to 1500 psi. Drill shoe and 5' of new formation. Circulate out. Test shoe to 300 psi with clear water and held. Drilling new formation from 3198' - 3765' with 30 - 40K WOB and 55 RPM. Wireline Survey at 3693' - 1.25 degrees. Drilling from 3765' - 3988' with 40K WOB and 55 RPM. Daily ROP - 54.8'/hr.

05/12/2003

Depth 4,855

Progress 867

AFE: 23234

Present Operation: Drlg

Drilling from 3988' - 4272' with 40K WOB and 55 RPM. Losing fluid to hole at 50 bbls/hr. Add LCM. Wireline Survey at 4198' - .75 degrees. Drilling from 4272' - 4623' with 45K WOB and 55 RPM. Losing fluid to hole at 30 bbls/hr. Install rotatinghead. Well very gassy from break in zone around 4500' - 4600'. Drilling from 4623' - 4815' with 45K WOB and 55 RPM. Add LCM for losses downhole. Wireline Survey at 4675' - 1 degree. Well blowing gas and mud out flowline. Drilling from 4815' - 4855' with 45K WOB and 55 RPM. Took several minutes to get returns after running wireline survey, then saw gas and oil blowing out into reserve pit. Daily ROP - 38.5'/hr / Cum ROP - 43.6'/hr. Adding paper at 2 sx/hr for seepage.

05/13/2003

Depth 5,546

Progress 691

AFE: 23234

Present Operation: Drlg

Drilling from 4855' - 5225' with 45K WOB and 55 RPM. Wireline Survey at 5151' - 1.25 degrees. Drilling from 5225' - 5546' with 30 - 40K WOB and 55 RPM. Drilling break at 5200' giving up trace of oil and fair amount of gas. Blew to back of reserve pit after survey, but will not flow. Daily ROP - 29.4'/hr / Cum ROP - 38.6'/hr.

05/14/2003

Depth 6,123

Progress 577

AFE: 23234

Present Operation: Trip Out for New Bit

Drilling from 5548' - 5698' with 45K WOB and 55 RPM. Wireline Survey at 5593' - .75 degrees. Drilling from 5698' - 6123' with 40K WOB and 55 RPM. Motor stalling out and ROP dropping. Drop survey tool and trip out of hole for bit and motor. Daily ROP - 26.8'/hr / Cum ROP - 35.6'/hr Flare - 8 - 12' and steady while drilling. Pumped BW down DP for trip out.

05/15/2003

Depth 6,590

Progress 467

AFE: 23234

Present Operation: Drlg

Trip out of hole, change bit and motor. Bit was almost one-half inch out of gauge. RMR less than 1/8"

Thursday, 12 June, 2003

MOBIL 12 FEDERAL #2

Trip in hole to casing shoe. Circulate gas out of hole and fill. Trip in hole to 6050'. Wash and Ream 73' to bottom. Large amount of gas to flare pit. 20 - 25' flare for 10 minutes. Drilling from 6123' - 6590' with 35K WOB and 45 RPM. Daily ROP - 27.5'/hr. Flare 6 - 8' and steady.

05/16/2003

Depth 7,330
Progress 740

AFE: 23234

Present Operation: Drlg

Drilling from 6590' - 6685' with 45K WOB and 45 RPM. Wireline Survey at 6609' - 1.5 degrees. Drilling from 6685' - 7193' with 45K WOB and 45 RPM. Wireline Survey at 7118' - .75 degrees. Drilling from 7193' - 7330' with 45K WOB and 45 RPM. Daily ROP - 32.1'/hr / Cum ROP - 30.1'/hr Flare dying off to intermitted connection gas.

05/17/2003

Depth 7,987
Progress 657

AFE: 23234

Present Operation: Drlg

Drilling from 7330' - 7670' with 45K WOB and 45 RPM. Wireline Survey at 7595' - 2.5 degrees. Drilling from 7670' - 7987' with 30 - 35K WOB and 45 RPM. Daily ROP - 27.95'/hr / Cum ROP - 28.4'/hr. Intermitted Flare at 4 - 6'.

05/18/2003

Depth 8,214
Progress 227

AFE: 23234

Present Operation: Bled Off Gas in Wellbore

Drilling from 7987' - 8214' with 35K WOB and 45 RPM. Circulate and condition for trip. Raised MW to 8.8ppg and flare went out. Slug pipe for trip. Drop gyro survey tool and chain out of hole. Tool getting survey on each stand of pipe. Pull tool when tripping out to DC. Batteries failed on tool 2hrs and 45 minutes into trip out. Will have to rerun on wireline truck when on bottom. Tool had data to 5200' and went blank. Trip check Drill Collars and found one bad box on # 17. Make up Sperry Sun directional tools with well flowing. Blew water up through rotary table and driller shut well in with blind rams. Pressure came up to 180 psi. Bleed off gas in wellbore and pump Brine water through kill line into well. Pressure dropped off to zero after second bleedoff. Daily ROP - 28.3'/hr / Cum ROP - 29.2'/hr

05/19/2003

Depth 8,483
Progress 269

AFE: 23234

Present Operation: Rotate & Slide Drilling

Bleed gas off wellbore and fill hole with Brine Water. Flare was 15 - 20' and fell off to 3 - 4' at end. Trip in with Directional tools and BHA. Shallow test MWD. Trip in hole with DP to 7000'. Circulate gas out of hole. Had 25' flare during bottoms up. Dropped off to 4 - 6' at end of circulation. Trip in hole to 8175'. Rerun gyro from 8088' to surface. Pickup kelly and install rotatinghead rubber. Slide drill from 8214' - 8221' with 30K WOB, Rotate to 8268' with 40 - 45K WOB at 45 RPM. Slide and rotate to 8483' as per Directional Driller making 20'/hr sliding and 30'/hr rotating. Surveys; 8242' - 2.25 degrees at 103.85 Az, 8274' - 2.97 at 103.64 Az, 8306' - 2.58 at 110.15 Az, 8338' - 2.64 at 112.66 Az, 8369' - 3.29 at 112.72 Az, 8401' - 4.08 at 118.24 Az. Toolface - 130R.

05/20/2003

Depth 9,042
Progress 559

AFE: 23234

Present Operation: Drlg

Slide and Rotate from 8483' - 9042' with 35K WOB sliding and 45K WOB rotating at 35 RPM. Daily ROP - 23.3'/hr / Cum ROP - 22.6'/hr. MWD Surveys: 8464' - 5.54 at 123.36 Az 8528' - 6.70 at 125.06 Az 8591' - 7.88 at 124.11 Az 8655' - 8.88 at 125.62 Az 8719' - 9.69 at 118.89 Az 8782' - 10.6 at 120.17 Az 8877' - 10.93 at 124.27 Az 8909' - 11.52 at 121.03 Az 8941' - 11.43 at 121.7 Az BGG - 21 / Max Gas - 61u / No Flare. Lag Time - 62 min.

05/21/2003

Depth 9,264
Progress 222

AFE: 23234

Present Operation: Drlg

Slide and rotate from 9028' - 9189' taking surveys every connection. Having problems getting build rates. Directional driller thinks bit may be out of gauge and wants to trip out. Circulate and condition for trip.

Trip out of hole 8 stands and well started to flow. Circulate 9.2ppg cut brine water around. Check flow and well is dead. Trip out of hole to Drill Collars. Cut drilling line. Trip out of hole with Drill Collars. Change bits, check tools, and trip in hole to 9189' with no fill. Slide and rotate from 9189' - 9264'. Surveys: 9004' - 12.99 at 121.81 Az 9100' - 12.18 at 124.54 Az 9163' - 12.3 at 123.46 Az 9195' - 12.74 at 121.17 Az

05/22/2003 Depth 9,910
 Progress 646
 AFE: 23234 Present Operation: Drlg

Rotate and slide drilling from 9247' - 9910' with 45K WOB and 35 RPM.

05/23/2003 Depth 10,427
 Progress 517
 AFE: 23234 Present Operation: Drlg

Rotate & slide f/9910' to 10,427', with directional surveys, AVG ROP 21.5 FPH, WOB 45, RPM 30.

05/24/2003 Depth 10,560
 Progress 133
 AFE: 23234 Present Operation: Drlg

DRILL F/ 10427' - 10549'. AVG. ROP - 11.6 FPH. WOB - 45, RPM - 30. TOH FOR NEW BIT. PU NEW MOTOR AND BHA. TIH W/ DC'S AND 20 STDS. DP. CIRC. TIH. CIRC. TIH. WASH AND REAM 42' TO BOTTOM. DRILL F/ 10549' - 10560'. AVG. ROP - 11' FPH. WOB - 40, RPM - 30. PRESENTLY BURNING - 8' - 15' FLARE. BGG - 700 U, TRIP GAS - 1680 U, TRIP FLARE - 15' - 20'. PRESENTLY IN ATOKA, 60% SHALE, 40% LIMESTONE.

05/25/2003 Depth 10,632
 Progress 72
 AFE: 23234 Present Operation: Sliding

DRILL F/ 10560' - 10625'. AVG. ROP - 6.2 FPH. WOB - 45, RPM - 35. (CAN ONLY ROTATE CAN NOT SLIDE - DECISION MADE TO LAY DOWN 3 PT. REAMER.) CIRC. AND MIX SLUG. TOH. LD 3 PT. REAMER. CHECK MOTOR AND BIT. TIH. DRILL F/ 10625' - 10632'. SLIDE.

05/26/2003 Depth 10,747
 Progress 115
 AFE: 23234 Present Operation: Rotating @ 4-7'

Drill f/10,632' to 10,747', rotate & slide

05/27/2003 Depth 10,861
 Progress 114
 AFE: 23234 Present Operation: Drlg, Rotate & Slide

Drill f/10,747' to 10,861', rotate & slide.

05/28/2003 Depth 10,963
 Progress 102
 AFE: 23234 Present Operation: Drlg

Drlg f/10,861' to 10,900', motor installed several times; TOH; chg bit & motor; TIW w/DCs; CIRC; TIH; CIRC; TIH; drill f/10,900' to 10,963, avg ROP 9' FPH.

05/29/2003 Depth 11,174
 Progress 211
 AFE: 23234 Present Operation: Drlg

Drlg f/10,963' to 11,174', AVG ROP 8.8 FPH - rotate & slide.

05/30/2003 Depth 11,390
 Progress 216

AFE: 23234 Present Operation: Drlg

Drlg f/11,174' to 11,390', AVG ROP 9' RPH - rotating & sliding.

05/31/2003 Depth 11,590
Progress 200

AFE: 23234 Present Operation: Drlg

Drill f/11,390' to 11,590', AVG ROP 8.3 FPH.

06/01/2003 Depth 11,670
Progress 80

AFE: 23234 Present Operation: Drlg

Drlg f/11,590' to 11,653', AVG ROP 7.8 FPH; CIRC, pump slug, TOH for bit #10; chg out motor & bit; TIH w/DCs; slip & cut drlg line; TIH; drlg f/11,653' to 11,670', AVG ROP 6.8 FPH - presently burning - 12' flare.

06/02/2003 Depth 11,869
Progress 199

AFE: 23234 Present Operation: Drlg

Drlg f/11,670' to 11,869', AVG ROP 8.3 FPH.

06/03/2003 Depth 12,017
Progress 148

AFE: 23234 Present Operation: Drlg

Rotary drlg f/11,869' to 11,891'; slide drlg f/11,891' to 11,899', slide to keep angle up and to stay on target; rotary drlg f/11,899' to 12,017'.

06/04/2003 Depth 12,192
Progress 175

AFE: 23234 Present Operation: Drilling ahead at 7'/hr.

Rotary drilling from 12017' - 12192' with 50k WOB and 30 RPM rotary.

06/05/2003 Depth 12,206
Progress 14

AFE: 23234 Present Operation: Jarring on Fish @ 11.587'

Drlg f/12,192' to 12206' with 50K WOB & 35 RPM rotary; PU to make conn and could not get bushings back in rotary, LD jt & started working pipe with kelly with no movement, cont working pipe while waiting on freepoint tools; RU & run freepoint, found string to be free at 11,600' & stuck below 11,650'; RU shot & run down to 11,587' & shoot, back off at 11,587'; chain out of hole with DP & 14 DC; MU screw in sub, bumper sub, jars, XO, 6 DCs, XO, accelerator, XO, 7 DCs & DP; TIH with fishing assy to TOF at 11,587' & screw into fish; began jarring on fish, pulling up to 360K & slacking off to 100K, fish is plugged & cannot pump through.

06/06/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Repairs on Rig

Jarring on fish, pulling up to 400K & slacking off to 150K, no movement; RU WL & run spudder bars to top of MWD a 12,102'; run freepoint to 11,716', stuck below 11,684'; run perforating gun with 6 shots in hole & perforate from 12,063' to 12,066'; C&C mud until gas is removed from system, flare up to 30' for 30 mins; spot 100 bbls of 40 gravity oil, put 75 bbls on annulus and leave 25 bbls in pipe; set 150K wt on BHA & put 10 rounds of torque in string, pipe became free; pull 10 stds slowly, drag decreased by 50K; C&C mud & tie oil into system, flare was up to 30' for fee mins & dropped off to 2' - 5' at end of circulation; pump slug & began chaining out of hole; repair low drum chain.

06/07/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Tripping Out for Logs

Repair low drum chain; mix & pump slug for TOH to LD fishing tools & directional tools; Chain out of hole, LD tools & 6 6-3/4" DCs; MU bit & TIH with DCs & 3 stds of DP; cut drilling line; TIH to 7000'; break circulation & circ gas out of wellbore, had 30' flare for 30 mins, dropped off to 5'; TIH to 11,831'; W&R 375' to btm, PU DP for length of tools & DCs LD, flare of 30'-35' for 1 hr & slowly dropped off to 10'012', drag decreased from 90K to 40K during reaming; C&C mud for logs, tie oil into mud system, pumped 3 sx of beads & saw drag decrease to 35K while working pipe, hole appears to be in good shape, prepare to TOH for logs.

06/08/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Cut & Thread Over WL

Strap out of hole for logs; replace low drum chain; strap out of hole for logs; RU loggers & make run #1 to TD of 12,199', logged up to 11,850' & started back to btm for repeat section when tool became stuck; work wireline up & down, extending caliper arm in & out in attempt to free tools, pulling up to 7400# & slacking off to zero while attempting to locate tools & fisherman to fish loggins tools; MU overshot, extension sub, XOs & cut wireline; began "cut & thread" over wireline, presently at 4500' going in hole with overshot.

06/09/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: TIH with Drillstring

Cut & thread in hole over wireline & tag up with logging tool at 11,850', work overshot over tool & set while pulling over wireline; pull rope socket out of tool & spool up on wireline unit; pull one jt & LD, mix up slug for TOH & pump; TOH & LD fishing tools & logging tool; MU vit & TIH with drillstring.

06/10/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Running 5-1/2" Casing

TIH to 6000'; CIRC out gas at 6000', had 30-35' flare for 45 mins, dropped off to 6-8' & steady; TIH to 9000'; CIRC out gas at 9000', had 20-25' flare for 30 mins, dropped off to 4-6' & steady; TIH to 12,206' & tag btm without any fill; C&C mud for casing, flare was 30' for 45 mins & dropped off to steady 4-6' for duration of circulation, mixed & pumped 33 sx of polymer beads just before end of circulation and spot on btm, slug drill pipe with 11# slug; LD DO & DCs, drag decreased from 40-50K on last trip to 30-35K during trip in deviated hole section; break down kelly & subs, pull wearbushing; RU casing crew & torque turn unit, began running casing, putting centralizer on each jt from 11,206' up through 11,650'.

06/11/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Cleaning Pits

Torque turn 5-1/2" 17# casing, tag btm @ 12,199'; CIRC out gas & cond mud, 30' flare for 45 mins; cmt 1st stage w/500 sx interfill & 600 sx Super H, bumped plug & held; drop bomb, open DV tool @ 7007' & CIRC; CIRC 124 sx cmt to reserve; cmt 2nd stage w/800 sx interfill & 100 sx premium neat, displace w/162 bbls FW & close tool; ND BOP, PU & set slips w/197K wt; cut casing & get BOP out; presently cleaning pits & NU wellhead, will run temp survey @ 1100 hrs.

06/12/2003 Depth 12,206
Progress 0

AFE: 23234 Present Operation: Released Rig

Install tubing adapter & test, clean mud pits & RD rental equip, ran temp survey & found top of cmt @ 800', released rig @ 1200 hrs on 6/11/03 - will attempt to have computer repaired to recover data, plan to move to CK #2 on Friday.