

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.*

OCD-ARTESIA

**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  
PO Box 140907; Irving, TX 75014-0907

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1580' FNL & 660' FWL  
E-11-16S-29E

3b. Phone No. (include area code)  
972-401-3111

RECEIVED

JUL - 6 2006

OCD-ARTESIA

5. Lease Serial No.  
NM-0556811

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Nitro 11 Federal No. 1

9. API Well No.  
30-015-34770

10. Field and Pool, or Exploratory Area  
Morrow Wildcat

11. County or Parish, State  
Eddy County, 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☐ Change Plans☒ Plug and Abandon☐ Temporarily Abandon☐ Convert to Injection☐ Plug Back☐ Water Disposal**13. Describe Proposed or Completed Operation (clearly state all pertinent details, included 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.)

06/05/06 Reached TD (10776').

06/10/06 As logs and samples looked uneconomical, decided to plug (received verbal approval to plug from Gary Gourley @ BLM). First cement plug - 9810' - 9918' - cemented with 43 sx Class H Neat + 0.04% Retarder - circ 10 minutes. Second cement plug - 7609' - 7717' - cemented with 40 sx Class H Neat + 0.04% Retarder - circ 10 minutes. Third cement plug - 6946' - 7054' - cemented with 40 sx Class H Neat - circ 10 minutes. Fourth cement plug - 5846' - 5954' - cemented with 41 sx Class H Neat - circ 10 minutes. Fifth cement plug - 3762' - 3912' - cemented with 48 sx Class H Neat + 3% Cal - had to replace plug. Fifth cement plug (replacement) - 3730' - 3912' - cemented with 66 sx Class H Neat + 3% Cal.

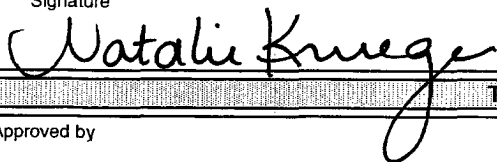
06/11/06 Recemented fifth plug with 40 sx RFC 10-1. Recemented fifth plug again with 150 sx Class H Neat + 3% Cal. Sixth cement plug @ 2743' - cemented plug with 57 sx Class H Neat + 3% Cal - tagged cement at 2660' but BLM wanted cement to 2600'. Recemented sixth plug with 48 sx Class H Neat + 3% Cal. Tagged cement at 2570'. Pumped cement plug from 50' to surface with 118 sx Class H Neat. Nipped down. Kent Caffell with the BLM witnessed the plugging.

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

Name (Printed/Typed)

Natalie Krueger

Signature



Title

Reg Analyst 1

Date

June 22, 2006

ACCEPTED FOR RECORD

JUN 30 2006

GARY GOURLEY

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

PETROLEUM ENGINEER

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)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT **OCD-ARTESIA**

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		<b>RECEIVED</b> <b>JUL - 6 2006</b> <b>OCD-ARTESIA</b>
2. Name of Operator Gruy Petroleum Management Co.		
3a. Address PO 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) 1580' FNL & 660' FWL E-11-16S-29E		

5. Lease Serial No.  NM-0556811
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Nitro 11 Federal No. 1
9. API Well No. 30-015-34770
10. Field and Pool, or Exploratory Area Morrow Wildcat
11. County or Parish, State Eddy County, 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>set surface &amp;</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>intermediate casing</u>
	<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, included 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.)

05/03/06 Spudded 17-1/2" hole. Ran 13-3/8" 48# H-40 STC casing to 437'. Cemented with 100 sx RCF 10-2-A + 5# Kolite + 1/8# Celloflake. Then pumped 300 sx 35-65 PC + 6% Gel + 3% CaCl + 1/8# Celloflake + 5# Kolite. Then pumped 200 sx C + 2% CaCl + 1/8# Celloflake.

05/04/06 Ran temperature survey and found TOC at 240'. Performed one-inch top job. Run 1 - pumped 100 sx Class C Neat + 4% CaCl - tagged @ 273'. Run 2 - pumped 100 sx Class C Neat + 4% CaCl - tagged @ 198. Run 3 - pumped 100 sx RFC Thixotropic - tagged @ 102'. Run 4 - pumped 100 sx Class C Neat + 4% CaCl - tagged @ 75'. Run 5 - pumped 38 sx RFC Thixotropic to reach surface. Pressure tested casing to 1000 psi for 30 minutes. WOC 13.5 hours.

05/10/06 In 12-1/4" hole, ran 9-5/8" 40# J-55 LTC casing to 2668'.

05/11/06 Cemented with lead of 787 sx 50/50 POZ C (11.9 wt, 2.47 yld) and tail of 200 sx Class C (14.8 wt, 1.34 yld). Circulated 217 sx to surface. Pressure tested casing to 1000 psi for 30 minutes. WOC 20.5 hours.

14. I hereby certify that the foregoing is true and correct		<b>ACCEPTED FOR RECORD</b>  JUN 30 2006  GARY GOURLEY
Name (Printed/Typed) Natalie Krueger	Title Reg Analyst 1	
Signature <i>Natalie Krueger</i>	Date June 22, 2006	

<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>		
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.		