

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Dist. 2
1201 W. Grand Avenue
Alamogordo, NM 88210

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.
NM 0402170

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
SRM - 1115

8. FARM OR LEASE NAME, WELL NO.
Pennzoil Federal Com No. 2

9. API WELL NO.
30-015-32485

10. FIELD AND POOL, OR WILDCAT
White City; Penn (Gas)

11. SEC. T., R., M., OR BLOCK AND SURVEY OR ARKA
Sec 15 T-24S- R-26E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. ENVYR. Other _____

2. NAME OF OPERATOR
Gruy Petroleum Management Co.

3. ADDRESS AND TELEPHONE NO.
P O Box 140907 Irving Tx. 75014-0907

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 760' FNL & 660' FEL
At top prod. interval reported below 760' FNL & 660' FEL
At total depth 760' FNL & 660' FEL

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUDDED 09-04-02 16. DATE T.D. REACHED 10-04-02 17. DATE COMPL. (Ready to prod.) 11/25/02 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)" 3300' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 11950' 21. PLUG, BACK T.D., MD & TVD 11904' 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS All CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
White City; Penn 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Spaced Neutron GRL, Dual Laterlog Micro Guard, Cement Bond Log 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 - 3/8" H-40	48 #	445'	17-1/2"	540 sx C 8% gel circ 60 sx to pit	
9-5/8" J-55	36 #	3220'	12 1/4"	1350 sx interfill circ 60 sx to pit	
5-1/2" N-80	17#	11950	8-3/4"	1850 sx Interfil/Perm DV tool at 7019' circ 35 sx to pit TOC surf	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	11415'	11442'

31. PERFORATION RECORD (Interval, size and number)
11712 - 11758 6 SPF 60 Holes
11420 - 11428 4 SPF 36 Holes
11488 - 11554 6 SPF 90 Holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
11712' - 11758'	42750 gal 45# gel 7% KCL w/ CO2 23760 # 20/40 interprop
11420' - 11554'	107000 gal 45# gel 7% KCL w CO2 61000 # 20/40 mesh Premium Prop

33.* PRODUCTION
DATE FIRST PRODUCTION 11-25-02 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 12-01-02 HOURS TESTED 24 CHOKER SIZE 16/64 PROD'N. FOR TEST PERIOD → OIL—BSL. -0- GAS—MCF. 2480 WATER—BSL. -0- GAS-OIL RATIO NA

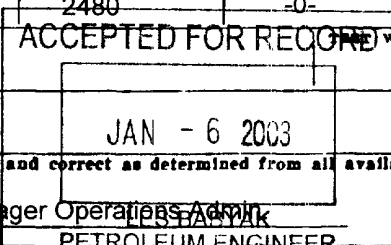
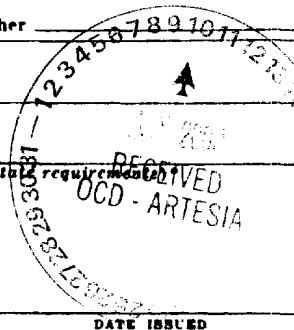
FLOW. TUBING PRESS. 2671 CASING PRESSURE -0- CALCULATED 24-HOUR RATE → OIL—BSL. -0- GAS—MCF. 2480 WATER—BSL. -0- OIL GRAVITY-API (CORR.) NA

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

35. LIST OF ATTACHMENTS
NM C-122, Electric logs and Inclination Summary

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Zeno Farris TITLE Manager Operations Admin DATE 12-10-02
PETROLEUM ENGINEER



*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

38. GEOLOGIC MARKERS

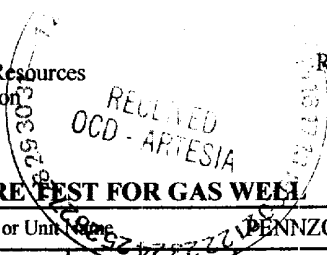
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Bone Spring	5460					
Wolfcamp	8650					
Strawn	10100					
Atoka	10410					
Morow	11090					
Mississippian	11870					

RECEIVED
 2002 DEC 19 AM 10:12
 SURFACE & STRATA
 FOSBELL FIELD

Submit in duplicate to appropriate district office. See Rule 401 & Rule 1122

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

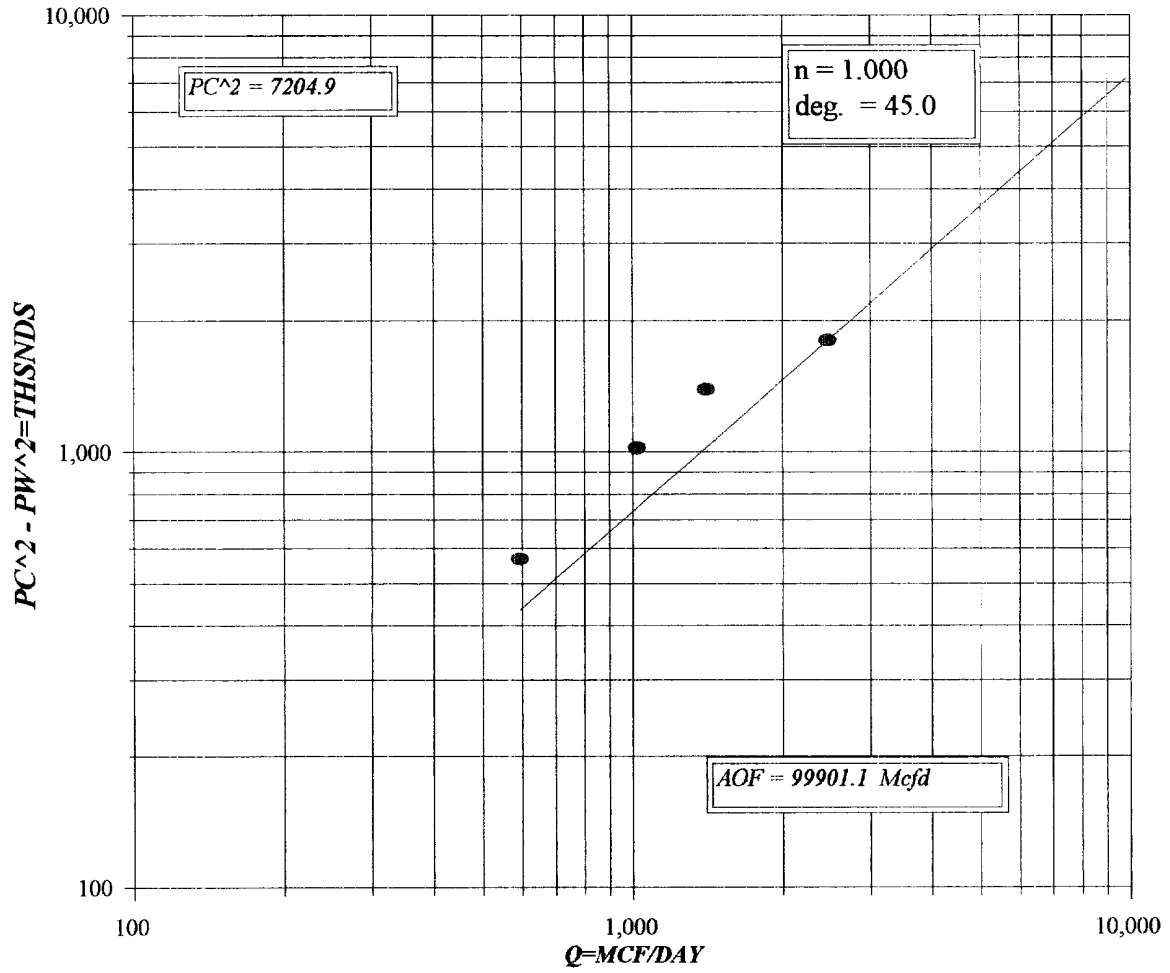
Form C-122
Revised October, 1999



MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator GRUY PETROLEUM MANAGEMENT				Lease or Unit Name PENNZOIL FED COM						
Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date 12/4/02	Well No. 2			
Completion Date 11/26/02		Total Depth 11950		Plug Back TD 11904		Elevation	Unit Ltr - Sec - TWP - Rge 15 24S 26E			
Csg. Size 5 1/2	Wt. 17	d 4.892	Set At 11950		Perforations: From: 11420 To: 11758		County EDDY			
Tbg. Size 2 3/8	Wt. 4.7	d 1.995	Set At 11436		Perforations: From: To:		Pool			
Type Well-Single-Bradenhead-G.G. or G.O. Multiple SINGLE				Packer Set At 11442		Formation MORROW				
Producing Thru Tubing	Reservoir Temp. °F 188	Mean Annual Temp. °F 60		Baro. Press.-P _a 13.2		Connection SALES				
L 11442	H 11442	Gg 0.593	%CO ₂ 2.015	%N ₂ 0.202	%H ₂ S N/A	Prover N/A	Meter Run 4.892	Taps FLG		
FLOW DATA				TUBING DATA			CASING DATA		Duration of Flow	
No.	Prover Line Size	Orifice Size	Press p.s.i.g.	Diff. h _w	Temp. °F	Press p.s.i.g.	Temp. °F	Press p.s.i.g.		Temp. °F
SI						2671	N/A	PKR	N/A	
1	4.892 X 2.250		435	0.5	67	2560				
2	4.892 X 2.250		435	1.8	63	2459				
3	4.892 X 2.250		435	3.6	69	2382				
4	4.892 X 2.250		435	10	64	2260				
5										
RATE OF FLOW CALCULATIONS										
No.	COEFFICIENT (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress Factor F _{pv}	Rate of Flow Q, Mcfd			
1							597			
2							1030			
3	TOTAL	FLOW	METER				1412			
4							2480			
5										
No.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio			N/A Mcf bbl.		
1					A.P. I. Gravity of Liquid Hydrocarbons			N/A Deg.		
2					Specific Gravity Separator Gas			0.593 XXXXXXXX		
3	TOTAL	FLOW	METER		Specific Gravity Flowing Fluid			N/A XXXXXX		
4					Critical Pressure			679 P.S.I.A. P.S.I.A.		
5					Critical Temperature			348 R. R.		
P _c	2684.2	P _{c2}	7204.9							
No.	P _t ²	P _w	P _w ²	P _c ² - P _w ²	(1) $P_c^2 = \frac{3.992}{P_c^2 - P_w^2}$ (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 3.992$					
1	2575.9	6635	569.9							
2	2480.4	6152.2	1052.7							
3	2411	5812.7	1392.2							
4	2323.9	5400.3	1804.6		AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 9901.1$					
5										
Absolute Open Flow				9901.1 Mcfd @ 15.025		Angle of Slope (°)		45		Slope n: 1
Remarks: * NO LIQUID MADE DURING TEST.										
Approved By Division:			Conducted By: PRO WELL TESTING			Calculated By: MERV BUECKER			Checked By: MB	

GRUY PET. MANAGEMENT CO.
PENNZOIL FED COM #2





Laboratory Services, Inc.

4016 Fiesta Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Pro Well Testing & Wireline
P. O. Box 791
Hobbs, New Mexico 88241

SAMPLE:
IDENTIFICATION: Pennzoil Fed. Com. #2
COMPANY: Gruy Petroleum
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 12/4/02 11:30 am
ANALYSIS DATE: 12/4/02
PRESSURE - PSIG 480
SAMPLE TEMP. °F 62
ATMOS. TEMP. °F

GAS (XX) LIQUID ()
SAMPLED BY: Richard Hicks
ANALYSIS BY: Vickie Biggs

REMARKS: Sample taken @ the meter run.

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	0.202	
Carbon Dioxide (CO2)	2.015	
Methane (C1)	95.495	
Ethane (C2)	1.630	0.435
Propane (C3)	0.249	0.068
I-Butane (C4)	0.046	0.015
N-Butane (NC4)	0.042	0.013
I-Pentane (C5)	0.020	0.007
N-Pentane (NC5)	0.020	0.007
Hexane Plus (C6+)	0.281	0.122
	<hr/>	<hr/>
	100.000	0.667

BTU/CU.FT. - DRY 1017
AT 14.650 DRY 1014
AT 14.650 WET 997
AT 14.73 DRY 1020
AT 14.73 WET 1002

MOLECULAR WT. 17.2006

SPECIFIC GRAVITY -
CALCULATED 0.598
MEASURED

COMPANY : GRUY PET. MANAGEMENT CO		LEASE : PENNZOIL FED COM		WELL NO. : 2		Pc = 2684.2		Pc2 = 7204.9	
UNIT :		SECTION : 15		TOWNSHIP : 24S		Pt2 = 6621.4		Fw = 2575.9	
L :	11442	H :	11442	L/H :	1	G/GMIX :	0.593	6111.8	
%CO2 :	2.015	%N2 :	0.202	H2S :		DATE :	12/4/02	2480.4	
d :	1.995	Fr :	0.018183	GH :	8197.0	RANGE :	26E	2411.0	
								2323.9	
VOL 1 :	597	PSIA 1 :	2573.2	RESV.TEMP :		188.0		Pc2-Pw2= 569.9	
VOL 2 :	1030	PSIA 2 :	2472.2	SHUT-IN PRE: =		2684.2		Pw2 = 6635.0	
VOL 3 :	1412	PSIA 3 :	2395.2					1052.7	
VOL 4 :	2480	PSIA 4 :	2273.2					1392.2	
								1804.6	
								5400.3	
								n = 1.000	
								Pc2/(Pc2-Pw2) = 12.543	
								6.844	
								5.175	
								3.992	
LINE	RATE 1	RATE 2		RATE 3		RATE 4			
	1ST	2ND	1ST	2ND	1ST	2ND	1ST	2ND	
1 QM	0.597	0.597	1.030	1.030	1.412	1.412	2.480	2.480	
2 TW	534	534	534	534	534	534	534	534	[Pc2/Pc2-Pw2]n = 12.543
3 Ts	648.0	648.0	648.0	648.0	648.0	648.0	648.0	648.0	6.844
4 T	591.0	591.0	591.0	591.0	591.0	591.0	591.0	591.0	5.175
PR (est)	3.79		3.64		3.53		3.35		3.992
5 Z(est)	0.842	0.852	0.842	0.849	0.841	0.847	0.841	0.844	
6 TZ	497.8	503.5	497.3	501.6	497.2	500.4	497.3	499.0	AOF= Q 7.548
7 GH/TZ	16.466	16.282	16.482	16.343	16.486	16.382	16.482	16.428	7.050
8 eS	1.854	1.841	1.855	1.846	1.856	1.848	1.855	1.852	7.308
9 Ie.S	0.461	0.457	0.461	0.458	0.461	0.459	0.461	0.460	9.901
10 Pt	2573.2	2573.2	2472.2	2472.2	2395.2	2395.2	2273.2	2273.2	
11 Pt2 /1000	6621.4	6621.4	6111.8	6111.8	5737.0	5737.0	5167.4	5167.4	
12 Fr	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	0.018183	
13 Fc=Fr/TZ	9.052	9.154	9.043	9.120	9.040	9.098	9.043	9.073	
14 FcQm	5.40	5.47	9.31	9.39	12.77	12.85	22.43	22.50	
15 L/H(FcQm)Z	29.2	29.9	86.8	88.2	162.9	165.0	502.9	506.3	
16 Fw	13.452879	13.648038	39.997265	40.430567	75.137774	75.747952	231.86533	232.844684	
17 Pw2	6634.8	6635.0	6151.8	6152.2	5812.1	5812.7	5399.3	5400.3	
18 Ps2	12302.7	12218.1	11413.5	11355.2	10785.4	10744.5	10017.7	9999.1	
19 Ps	3507.5	3495.4	3378.4	3369.7	3284.1	3277.9	3165.1	3162.1	
20 P	3040.4	3034.3	2925.3	2921.0	2839.7	2836.5	2719.1	2717.7	
21 Pr	4.48	4.47	4.31	4.30	4.18	4.18	4.00	4.00	
22 Tr	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	
23 Z	0.852	0.852	0.849	0.849	0.847	0.847	0.844	0.844	FORM C122-D

OPERATOR: GRUY PETROLEUM
WELL/LEASE: PENNZOIL FED. COM. 2
COUNTY: EDDY

080-0010

STATE OF NEW MEXICO
DEVIATION REPORT

236	1
445	1
806	1 3/4
1,145	2 1/2
1,272	2
1,466	2 3/4
1,563	3 3/4
1,686	3
1,789	2
1,885	1 3/4
2,165	1 1/4
2,640	3/4
3,225	1/4
3,699	1/2
4,175	1/4
4,652	1/2
5,130	3/4
5,605	1/2
6,084	1
6,562	1/2
7,040	3/4
7,514	1 1/4
7,979	1 1/2
8,454	2
8,933	1
9,433	3/4
9,917	1/4
10,394	1/2
10,562	1
11,037	3/4
11,514	1/2
11,950	1



By: Steve Moore

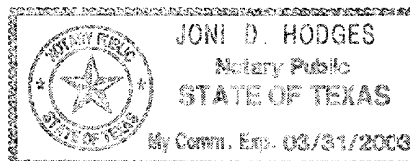
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 15th day of October, 2002, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

Joni D. Hodges
Notary Public for Midland County, Texas

My Commission Expires: 3/31/2003



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Reformatted July 20, 2001

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Gruy Petroleum Management Co. PO Box 140907 Irving, TX 75014-0907		² OGRID Number 162683
		³ Reason for Filing Code/ Effective Date Request Gas and Water POD, 9-13-02
⁴ API Number 30 - 0 15-32485	⁵ Pool Name White City; Penn (Gas)	⁶ Pool Code 87280
⁷ Property Code	⁸ Property Name Pennzoil Federal Com	⁹ Well Number 2

II. ¹⁰ Surface Location

Ill or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	15	24-S	26-E		760'	North	660'	East	Eddy

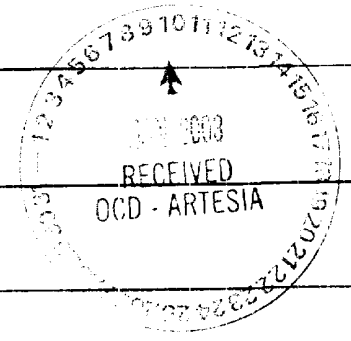
¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Use Code	¹³ Producing	¹⁴ Gas	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
036785	Duke Energy Field Services, LP PO Box 201207 Houston, TX 77216-1207			



IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBD	²⁹ Perforations	³⁰ DHC. MC
09-04-02	11-25-02	11950'	11904'	11488' - 11758'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2"	13-3/8" H-40	445'	540 sx circ		
12-1/4"	9-5/8" J-55	3220'	1350 sx circ		
8-3/4"	5-1/2" N-80	11950'	1850 sx TOC'		
	2-3/8"	11415'			

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
	11-25-02	12-01-02	24 hours	2671	-0-
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
16/64"	-0-	-0-	2480	9901.1	Single

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Natalie Krueger*
Printed name: Natalie Krueger
Title: Production Assistant
Date: 12/16/02
Phone: 972-401-3111

OIL CONSERVATION DIVISION

Approved by: _____
Title: _____
Approval Date: _____