

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

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. NM 0141013
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.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1200' FEL I-20-19S-34E		8. Well Name and No. Mescalero 20 Federal Com 1
		9. API Well No. 30-025-36099
		10. Field and Pool, or Exploratory Area Quail Ridge; Morrow
		11. County or Parish, State Lea Co. NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

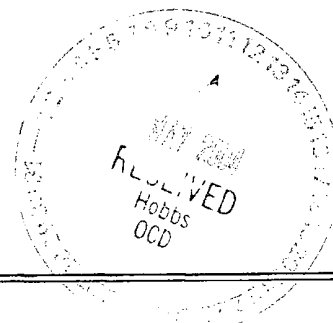
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 <u>Set production casing</u>
	<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 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 recompletion 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.)

03-27-04 Ran 5-1/2" casing to 13800.' Cemented 1st stage lead 500 sx Interfill H + 0.3% HR-7 + 5# Gilsonite + 1/4# Flocele. Tail 400 sx Super H + 2.5# Salt + 0.4% CFR-3 + 0.5% LAP-1 + 0.25# D-Air 3000 + 5# Gilsonite + 1/4# Flocele + 0.25% HR-7. Bumped with 1600#.

03-28-04 Cemented 2nd stage lead 1100 sx Interfill C + 1/4# Flocele. Tail 140 sx Premium Neat. Bumped with 4500#. Circulated 57 sx cement to pit. TOC surface.

Please see attached drilling report.



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

Natalie Krueger

Title

Production Assistant

Signature

Date

April 27, 2004

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ORIG. SGD.) DAVID R. GLASS

Title

Date

Conditions of approval, May 4, 2004. 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)

GWW

Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

February 28, 2004 Thru March 28, 2004

OPERATED

QUAIL RIDGE

GRUY PETROLEUM MANAGEMENT CO

76733 Mescalero 20 Federal 1

LEA, NM

02/28/2004

Depth 4,012

Progress 487

AFE: 22044

Present Operation: Drlg

1980'FSL, 1200'FEL, Sec 20, T19S, R34E

W.I. Pct BCP 87.50 %

W.I. Pct ACP 87.50 %

Morrow / 13,500'

PU & TIH with Bit # 3, motor, Teledrift Sub, BHR, IBS, 6 3/4" DC's & new 6 1/2" DC's (make up - break out & make up again to break new DC's in properly) - test motor - OK Cut drilling line & service rig Continue TIH with 4 1/2" DP & tag cement at 3,475' Test 9 5/8" casing, well head & BOP to 2,350# for 10 mins. with rig pump - OK Drill cement, plug, FC, cement & shoe from 3,475' to 3,525' Drill from 3,525' to 3,541' (149 RPM motor - 40 RPM rotary - 33K bit wt.) - back on formation at 2:15 PM (CST) 2/27/2004 Test formation from 3,525' to 3,541' to an EMW of 10.5 #/gal. with 8.4 #/gal MW with 387# for 10 mins. with rig pump - OK Drill from 3,541' to 3,635' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 3,593' = 1o Drill from 3,635' to 3,946' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 3,904' = 1 1/2o Drill from 3,946' to 4,012' (149 RPM motor - 40 RPM rotary - 38K bit wt.)

02/29/2004

Depth 4,696

Progress 684

AFE: 22044

Present Operation: Running Teledrift Survey

Drill from 4,012' to 4,288' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Service rig Drill from 4,288' to 4,320' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 4,278' = 1o Drill from 4,320' to 4,696' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 4,656' = 1/2o

03/01/2004

Depth 5,361

Progress 665

AFE: 22044

Present Operation: Drlg

Drill from 4,696' to 4,758' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Service rig Drill from 4,758' to 5,073' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift @ 5,031' = 1/2o Drill from 5,073' to 5,361' (149 RPM motor - 40 RPM rotary - 42K bit wt.)

03/02/2004

Depth 5,975

Progress 614

AFE: 22044

Present Operation: Drlg

Drill from 5,361' to 5,410' (149 RPM motor - 40 RPM rotary - 42K bit wt.) Service rig Drill from 5,410' to 5,483' (149 RPM motor - 40 RPM rotary - 42K bit wt.) Teledrift @ 5,441' = 1/2o Drill from 5,483' to 5,895' (149 RPM motor - 40 RPM rotary - 42K bit wt.) Teledrift @ 5,853' = 1/2o Drill from 5,895' to 5,975' (149 RPM motor - 40 RPM rotary - 45K bit wt.)

03/03/2004

Depth 6,755

Progress 780

AFE: 22044

Present Operation: Drlg

Drill from 5,975' to 6,052' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Service rig Drill from

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6,052' to 6,273' (149 RPM motor - 40 RPM rotary - 30K to 45K bit wt.) Teledrift @ 6,231' = 1/2o Drill from 6,273' to 6,652' (149 RPM motor - 40 RPM rotary - 30K to 45K bit wt.) Teledrift @ 6,610' = 1o Drill from 6,652' to 6,755' (149 RPM motor - 40 RPM rotary - 30 K to 45K bit wt.)

03/04/2004 Depth 7,450
Progress 695
AFE: 22044 Present Operation: Drlg

Drill from 6,755' to 7,031' (149 RPM motor - 40 RPM rotary - 30 K to 45K bit wt.) Teledrift @ 6,989' = 1o Service rig Drill from 7,031' to 7,450' (149 RPM motor - 40 RPM rotary - 45K bit wt.)

03/05/2004 Depth 8,098
Progress 648
AFE: 22044 Present Operation: Drlg

Drill from 7,450' to 7,506' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Teledrift @ 7,464' = 1o Service rig Drill from 7,506' to 7,981' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Teledrift @ 7,939' = 1o Drill from 7,981' to 8,098' (149 RPM motor - 40 RPM rotary - 45K bit wt.)

03/06/2004 Depth 8,422
Progress 324
AFE: 22044 Present Operation: Drlg

Drill from 8,098' to 8,139' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Service rig Drop Totco @ 8,056' = 3/4o & trip out for bit - checked IBS for gauge - OK - turned pins on BHR - in gauge - OK - LD motor & Bit # 3 8 3/4" Smith F47HYPS serial # MT3100 3-14's in @ 3,525' out at 8,139' cut 4,614' in 156 3/4 hrs. condition = T5 B4 1/8" out of gauge - function test BOP's - OK PU & TIH with Bit # 4, Bit Stabilizer Sub, new motor, BHA & DC's - test motor - OK Continue TIH with 4 1/2" DP to 8,057' Ream & wash 82' from 8,057' to 8,139' Drill from 8,139' to 8,330' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Teledrift @ 8,288' = 1/2o Drill from 8,330' to 8,422' (149 RPM motor - 40 RPM rotary - 35K bit wt.) BGG = 42 units - trip gas = 82 units - max. gas = 131 units - Lag = 62 mins. - no shows

03/07/2004 Depth 8,987
Progress 565
AFE: 22044 Present Operation: Drlg

Drill from 8,422' to 8,488' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Service rig Drill from 8,488' to 8,805' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Teledrift @ 8,763' = 2o Drill from 8,805' to 8,987' (149 RPM motor - 40 RPM rotary - 35K bit wt.)

03/08/2004 Depth 9,521
Progress 534
AFE: 22044 Present Operation: Drlg

Teledrift @ 8,952' = 1/2o Drill from 8,987' to 9,120' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 9,110' = 1o Service rig Drill from 9,120' to 9,499' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Teledrift @ 9,457' = 1o Drill from 9,499' to 9,521' (149 RPM motor - 40 RPM rotary - 38K bit wt.)

03/09/2004 Depth 9,925
Progress 404
AFE: 22044 Present Operation: Drlg

Drill from 9,521' to 9,594' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Service rig Drill from 9,594' to 9,846' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift @ 9,804' = 1o Drill from 9,846' to 9,925' (149 RPM motor - 40 RPM rotary - 40K bit wt.)

03/10/2004 Depth 10,188
Progress 263
AFE: 22044 Present Operation: TIH with Bit #5

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Drill from 9,925' to 10,036' (149 RPM motor - 40 RPM rotary - 43K bit wt.) Service rig Drill from 10,036' to 10,188' (149 RPM motor - 40 RPM rotary - 43K to 45K bit wt.) - pump pressure spiked & bit torqued up Drop Totco @ 10,134' = 3 1/2o & trip out for bit - checked IBS & BHR for gauge - OK - LD Bit Stabilizer Sub, Motor & Bit # 4 PU & TIH with Bit # 5, new motor, BHA & DC's - test motor - OK

03/11/2004 Depth 10,408
Progress 220
AFE: 22044 Present Operation: Drlg

Cut 120' of drilling line Continue TIH with 4 1/2" DP to 10,017' - having a lot of trouble with drilling line catching on drum Cut drilling line - bad spot on drum - ground down kick plates Service rig Ream & wash 171' from 10,017' to 10,188' - ran Teledrift @ 10,119' = 3o - tool working OK Drill from 10,188' to 10,288' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Teledrift @ 10,246' = 2 1/2o Drill from 10,288' to 10,382' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Teledrift @ 10,340' = 1 1/2o Drill from 10,382' to 10,408' (149 RPM motor - 40 RPM rotary - 40K bit wt.) BGG = 6 units - trip gas = 69 units - max. gas = 120 units - Lag = 73 mins. - no shows

03/12/2004 Depth 10,762
Progress 354
AFE: 22044 Present Operation: Drlg

Drill from 10,408' to 10,470' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Service rig Drill from 10,470' to 10,572' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift @ 10,530' = 2o Drill from 10,572' to 10,698' (149 RPM motor - 40 RPM rotary - 40K to 42K bit wt.) Teledrift @ 10,656' = 1o Drill from 10,698' to 10,762' (149 RPM motor - 40 RPM rotary - 40K to 42K bit wt.)

03/13/2004 Depth 11,230
Progress 468
AFE: 22044 Present Operation: Drlg

Drill from 10,762' to 10,888' (149 RPM motor - 40 RPM rotary - 40K to 45K bit wt.) Teledrift @ 10,846' = 1o Service rig Drill from 10,888' to 11,077' (149 RPM motor - 40 RPM rotary - 40K to 45K bit wt.) Teledrift @ 11,035' = 1/2o Drill from 11,077' to 11,230' (149 RPM motor - 40 RPM rotary - 40K to 45K bit wt.)

03/14/2004 Depth 11,411
Progress 181
AFE: 22044 Present Operation: Reaming Out of Gauge Hole

Drill from 11,230' to 11,268' (149 RPM motor - 40 RPM rotary - 40K to 45K bit wt.) Teledrift @ 11,226' = 1o Service rig Drill from 11,268' to 11,411' (149 RPM motor - 40 RPM rotary - 45K bit wt.) - rotary torqued up Drop Totco @ 11,343' = 1o & trip out for bit - checked IBS & BHR for gauge - IBS OK - LD BHR, Motor & Bit # 5 PU & TIH with Bit # 6, new motor, new BHR, BHA & DC's - test motor - OK Continue TIH with 4 1/2" DP to 11,281' Ream & wash out of gauge hole from 11,281' to 11,370' at report time

03/15/2004 Depth 11,692
Progress 281
AFE: 22044 Present Operation: Drlg

Ream & wash out of gauge hole from 11,370' to 11,411' (total of 130' of reaming) Drill from 11,411' to 11,490' (149 RPM motor - 40 RPM rotary - 35K bit wt.) Service rig Drill from 11,490' to 11,680' (149 RPM motor - 40 RPM rotary - 35K to 38K bit wt.) Teledrift @ 11,638' = 1o Drill from 11,680' to 11,692' (149 RPM motor - 40 RPM rotary - 38K bit wt.)

03/16/2004 Depth 12,009
Progress 317
AFE: 22044 Present Operation: Drlg

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Drill from 11,692' to 11,743' (149 RPM motor - 40 RPM rotary - 38K bit wt.) Service rig Drill from 11,743' to 12,009' (149 RPM motor - 40 RPM rotary - 38K bit wt.)

03/17/2004 Depth 12,257
 Progress 248
 AFE: 22044 Present Operation: TIH

Drill from 12,009' to 12,059' (149 RPM motor - 40 RPM rotary -45K bit wt.) Teledrift @ 12,017' - 1.0 Deg Rig Service Drill from 12,059' to 12,248' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Teledrift @ 12,206' - 1.0 Deg Drill from 12,248' to 12,257' (149 RPM motor - 40 RPM rotary - 45K bit wt.) Bit Died. TOH. Function Test BOP. C/O Bit and Motor

03/18/2004 Depth 12,557
 Progress 300
 AFE: 22044 Present Operation: Drlg

TIH - Test Motor - Finish TIH Wash and Ream from 12,199' to 12,257' Drill from 12,257' to 12,280' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Service Rig Drill from 12,280' to 12,469' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift survey @ 12,427' - 1.0 Deg Drill from 12,469' to 12,557' (149 RPM motor - 40 RPM rotary - 40K bit wt.)

03/19/2004 Depth 12,825
 Progress 268
 AFE: 22044 Present Operation: Drlg

Drill from 12,557' to 12,659' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift Survey @ 12,617' = 1.0 Deg Rig Service Drill from 12,659' to 12,825' (149 RPM motor - 40 RPM rotary - 40K bit wt.)

03/20/2004 Depth 13,020
 Progress 195
 AFE: 22044 Present Operation: Drlg

Drill from 12,825' to 12,848' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift Survey @ 12,806' = 1.0 Deg Rig Service Drill from 12,848' to 13,020" (149 RPM motor - 40 RPM rotary - 40K bit wt.)

03/21/2004 Depth 13,118
 Progress 98
 AFE: 22044 Present Operation: Drlg

Drill from 13,020' to 13,025' (149 RPM motor - 40 RPM rotary - 40K bit wt.) Bit Died. Drop Totco. Slug Pipe. TOH. Tight hole leaving bottom for 3 jts. Change out Bit and Motor. TIH w/ BHA. Service Rig Slip and cut Drilling Line Finish TIH. Tag Bridge at 12,699' Lay down 9 jts and Wash and ream from 12,699' to 13,025' Drill from 13,025' to 13,118' (130 RPM motor - 40 RPM rotary - 40K bit wt.)

03/22/2004 Depth 13,384
 Progress 266
 AFE: 22044 Present Operation: Drlg

Drill from 13,118' to 13,188' (130 RPM motor - 40 RPM rotary - 40K bit wt.) Rig Service Drill from 13,188' to 13,384' (130 RPM motor - 40 RPM rotary - 40K bit wt.)

03/23/2004 Depth 13,473
 Progress 89
 AFE: 22044 Present Operation: Reaming to Btm

Drill from 13,384' to 13,398' (130 RPM motor - 40 RPM rotary - 40K bit wt.) Teledrift Survey @ 13,358' = 1.0 Deg Drill from 13,398' to 13,473' (130 RPM motor - 40 RPM rotary - 40K bit wt.) Drill

rate dropped f/ 12' per hr 1' in 40 mins. Slug pipe. Start TOH TOH. Bit graded T-6 B-4 1/8" out. Motor drained slowly w/ rotation LD Bit , Motor and Teledrift. Pu Bit #9 and new motor. TIH w/ BHA Test Motor TIH w/ new BHA Wash and ream from 13,404' to 13,473' BGG =203 units - conn. gas = 0 units - max. gas = 855 units - Lag = 97 mins. - no shows

03/24/2004 Depth 13,703
Progress 230
AFE: 22044 Present Operation: Drilling

Drill from 13,473' 13,525' (130 RPM motor - 40 RPM rotary - 40K bit wt.) Rig Service Drill from 13,525' to 13,703' (130 RPM motor - 40 RPM rotary - 40K bit wt.)

03/25/2004 Depth 13,800
Progress 97
AFE: 22044 Present Operation: Logging

Drill from 13,703' to 13,713' (130 RPM motor - 40 RPM rotary - 40K bit wt.) Rig Service. Drill from 13,713' to 13,800' (130 RPM motor - 40 RPM rotary - 40K bit wt.) T.D. hole @ 2:00 P.M. Circ Sweep and Build Slug. TOH. LD Reamer, Stabilizer and Motor. RU Howco & begin running open hole logs - Logger's TD = 13,800' - Running Spectral Density Dual Spaced Neutron Log, Dual Laterolog Micro Guard Log & Full Wave Sonic Monitor Log. A.R.T.

03/26/2004 Depth 13,800
Progress 0
AFE: 22044 Present Operation: LDDP

Howco run Sequential Formation Tester at various Depths Rig down Howco TIH Wash 100' to Bottom Circ and RU Lay Down Machine Lay down DP

03/27/2004 Depth 13,800
Progress 0
AFE: 22044 Present Operation: CIRC & WOC 1st Stage

Finish LD 4 1/2" DP Break kelly, pull rotating head rubber & drive bushings - POOH LD 30 - 6 1/8" & 6 - 6 3/4" DC's RU Bull Rogers Casing Crew - Running 5 1/2" casing (See Casing Detail) RU Howco and wash in last 2 jts. Placing Float collar @ 13,750' and DV tool @ 8,346' Hall. Cmt. 1st stage (Lead) 500 sx Interfill "H" + 0.3% HR-7 + 5# Gilsonite + 1/4# Flocele, followed by (Tail) 400 sx Super "H" + 2.5# Salt + 0.4% CFR-3 + 0.5% LAP-1 + .25# D-AIR 3000 + 5# Gilsonite 1/4# Flocele & 0.25% HR-7 - plug down & bumped with 1,600# at 3:15 PM (CST) 4/27/04 - floats held OK Dropped bomb & opened DV Tool with 700# at 3:45 AM (CST) 4/27/04 - circulated through DV Tool - Foamy cement water circulated off DV tool 1st stage Circulate w/ rig pump and WOC 1st stage

03/28/2004 Depth 13,800
Progress 0
AFE: 22044 Present Operation: Released Rig

Circulate And WOC Halliburton cemented 2nd stage (Lead) 1100 sx Interfill "C" + 1/4# Flocele, (Tail) 140 sx Premium Neat Cement - plug down & closed DV Tool with 4,500# at 11:00 AM (CST) 4/27/04 - held OK - circulated 57 sx cement to pit - BLM was notified, but did not witness job - RD Halliburton ND & PU BOP - set 5 1/2" casing slips in 175,000# - cut off 5 1/2" casing - LD BOP - installed a 11" 5,000# X 7 1/16" 5,000# tubing head & tested head to 5,000# - OK - jetted & cleaned steel pits - Released Patterson-UTI Rig # 75 @10:00 P.M. (CST) 3/27/04