

New Mexico Oil Conservation Division, District I
UNITED STATES 1625 N. French Drive
DEPARTMENT OF THE INTERIOR Hobbs, NM 88240
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

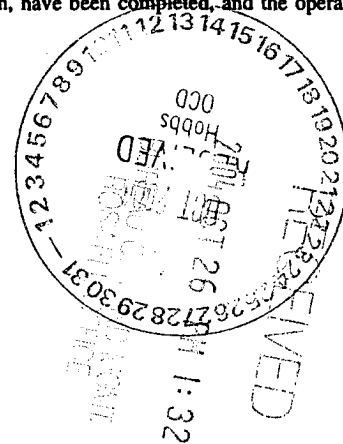
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 0141013
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. 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 Site Security Diagram
	<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 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.)

Attached is the site security diagram for the above well.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Zeno Farris		Title Manager Operations Administration
Signature <i>Zeno Farris</i>		Date October 20, 2004

ACCEPTED FOR RECORD			THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>(Signature)</i>	Title Office		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.					

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.

**Gruy Petroleum Management Company
Mescalero 20 Federal #1
1980' FSL & 1200' FEL
Sec. 20, T19, R34E
Lea County, NM
NM141013
API 30-025-36099**



Production System: Open

1. Oil sales by tank gauge to tank truck.

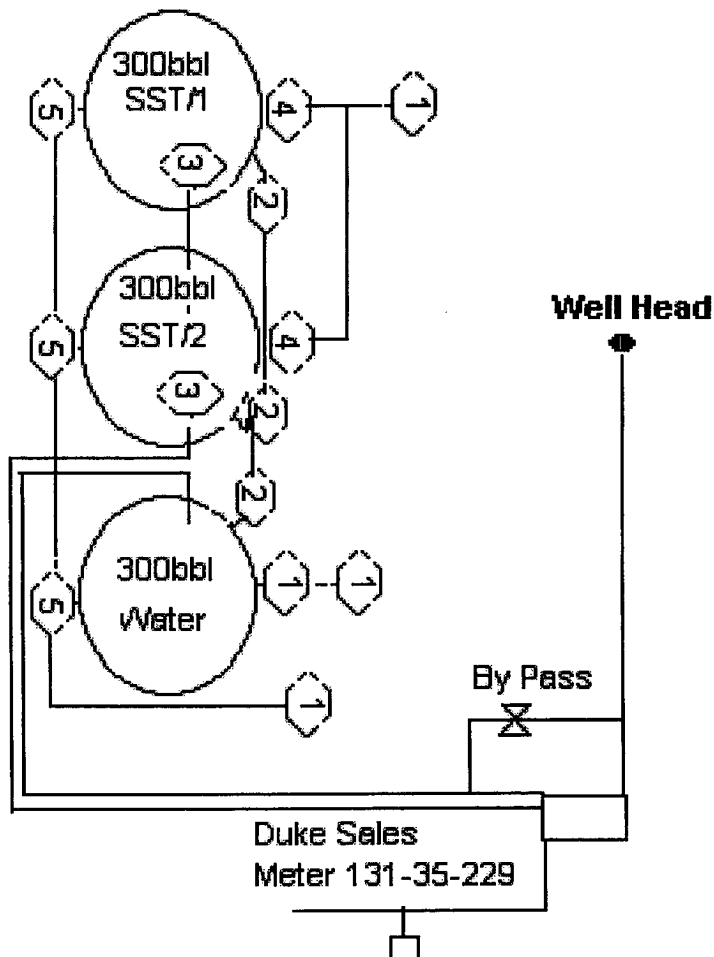
2. Seal Requirements:

A. Production Phase:

1. All valves 4, & 5 sealed closed.
2. Valves 1, no seal required.
3. Valves 2 & 3 sealed on non producing tank.

B. Sales Phase:

1. Valve 2 & 3 sealed on sales tank.
2. Valve 4, open & sold, then re-sealed.
3. Valves 5 sealed closed.



Site Diagram Located:
300 N Texas
Eunice, NM 88231
505-394-0613