

**New Mexico Oil Conservation Division, District I**  
**UNITED STATES 1625 N. French Drive**  
**DEPARTMENT OF THE INTERIOR, 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-57285
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) 660' FNL & 1980 FWL Section 33-19S-34E		8. Well Name and No. Chaparral 33 Federal No. 2
		9. API Well No. 30-025-36403
		10. Field and Pool, or Exploratory Area Quail Ridge; Morrow
		11. County or Parish, State  Lea, NM

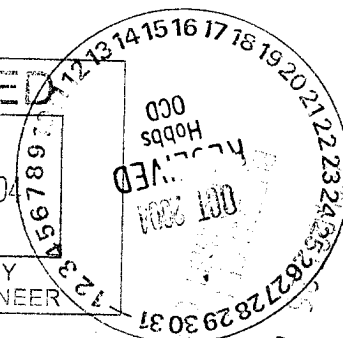
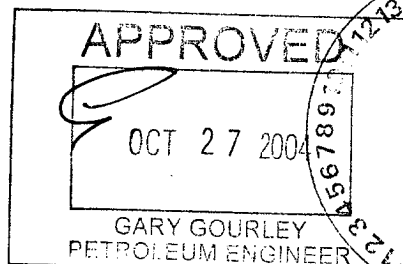
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other _____
	<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 checked="" 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.)

Gruy Petroleum Management Co. respectfully requests approval for disposal of produced water from the above lease per the attached Water Production and Disposal information.

**SUBJECT TO  
LIKE APPROVAL  
BY NMOC**



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

**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.

GWW

### Water Production & Disposal Information

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on this lease: Morrow  
\_\_\_\_\_
2. Amount of water produced from all formations in barrels per day:  
\_\_\_\_\_11 bbls per day\_\_\_\_\_
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, PH, and the concentrations of chlorides and sulfates (one sample will suffice if the water is commingled): Attached \_\_\_\_\_  
\_\_\_\_\_
4. How water is stored on this lease: 300 bbl fiberglass tank\_\_\_\_\_
5. How water is moved to the disposal facility: Trucked\_\_\_\_\_
6. Identify the disposal facility by:
  - A. Facility Operator's Name: Basin Alliance LLC
  - B. Name of facility or well name and number: State AJ No. 1 well
  - C. Type of facility or well (WDW, WIW, ect.): WDW\_\_\_\_\_
  - D. Location by  $\frac{1}{4}$   $\frac{1}{4}$  SENE\_\_ section 33\_\_township 18S\_\_range 36E\_\_
7. Attach a copy of the state-issued permit for the Disposal Facility.

Submit to this office (414 West Taylor; Hobbs, NM 88240) the above-required information on a sundry notice 3160-5. Submit 1 original and 5 copies within the required time frame. This form may be used as an attachment to the sundry notice. Call me at 505-393-3612 if you need to further discuss this matter.

**CAPITAN CHEMICAL  
WATER ANALYSIS REPORT**

	Gruy Petroleum, Inc.	Date Sampled : 05/31/04
Lease Name :	Chapparral 33-2	Capitan Rep. : Sam Seed
Well Number :	2	Company Rep. : Reggie Reston
Location :	Lea County, N.M.	

**ANALYSIS**

1. pH	6.35	
2. Specific Gravity @ 60/60 F.	1.393	
3. CaCO <sub>3</sub> Saturation Index @ 80 F.	+0.125	'Calcium Carbonate Scale Possible'
@ 140 F.	+1.055	'Calcium Carbonate Scale Possible'

**Dissolved Gasses**

4. Hydrogen Sulfide	0	PPM
5. Carbon Dioxide	1,206	PPM
6. Dissolved Oxygen	Not Determined	

**Cations**

	mg/L	/	Eq. Wt.	=	MEQ/L
7. Calcium (Ca++)	3,000	/	20.1	=	149.25
8. Magnesium (Mg++)	1,215	/	12.2	=	99.59
9. Sodium (Na+) Calculated	19,577	/	23.0	=	851.16
10. Barium (Ba++)	Not Determined	/	68.7	=	0.00

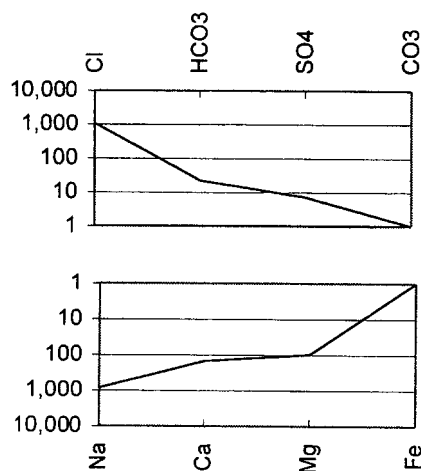
**Anions**

11. Hydroxyl (OH-)	0	/	17.0	=	0.00
12. Carbonate (CO <sub>3</sub> =)	0	/	30.0	=	0.00
13. Bicarbonate (HCO <sub>3</sub> -)	1,366	/	61.1	=	22.36
14. Sulfate (SO <sub>4</sub> =)	352	/	48.8	=	7.21
15. Chloride (Cl-)	38,000	/	35.5	=	1,070.42

**Other**

16. Soluble Iron (Fe)	1200 +	/	18.2	=	0.00
17. Total Dissolved Solids	63,510				
18. Total Hardness As CaCO <sub>3</sub>	12,500				
Calcium Sulfate Solubility @ 90 F.	3,026				
20. Resistivity (Measured)	0.140	Ohm/Meters	@ 74	Degrees (F)	

Logarithmic Water Pattern



**PROBABLE MINERAL COMPOSITION**

COMPOUND	Eq. Wt.	X	MEQ/L	=	mg/L
Ca(HCO <sub>3</sub> ) <sub>2</sub>	81.04	X	22.36	=	1,812
CaSO <sub>4</sub>	68.07	X	7.21	=	491
CaCl <sub>2</sub>	55.50	X	119.68	=	6,642
Mg(HCO <sub>3</sub> ) <sub>2</sub>	73.17	X	0.00	=	0
MgSO <sub>4</sub>	60.19	X	0.00	=	0
MgCl <sub>2</sub>	47.62	X	99.59	=	4,742
NaHCO <sub>3</sub>	84.00	X	0.00	=	0
NaSO <sub>4</sub>	71.03	X	0.00	=	0
NaCl	58.46	X	851.16	=	49,759