

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

FORM APPROVED
OMB NO. 1004-0135
Expires January 31, 2004

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	7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator GRUY PETROLEUM MANAGEMENT COMPANY ATTN: ZENO FARRIS	8. Well Name and No. C.W. SHEPHERD "A" #2
3a. Address P.O. BOX 140907, IRVING, TEXAS 75014-0907	9. API Well No. 30-025-31614
3b. Phone No. (include area code) (469) 443.6489	10. Field and Pool, or Exploratory Area RHODES YATES/7-RIVERS GAS
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) H, 1650' ENL & 660' FEL SEC. 06, T-26S, R-37E	11. County or Parish, State LEA COUNTY NM

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

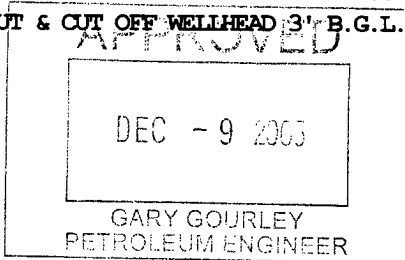
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 checked="" 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 type="checkbox"/> Water Disposal	

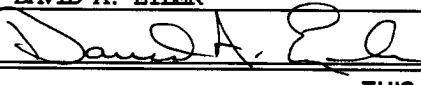
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 final site is ready for final inspection.)

GRUY PETROLEUM MANAGEMENT CO. PROPOSES TO PLUG & ABANDON AS PER THE FOLLOWING PROCEDURE:

- 1) FU WORKSTRING & 4-1/2" CIBP & RIH & SET CIBP @ 2,750'; MIX & PUMP A 10 SX. CMT. PLUG ON TOP OF CIBP.
- 2) CIRC. WELL W/ PXA MID.
- 3) CUT & PULL 4-1/2" CASING. (ESTIMATED RECOVERY +/-960')
- 4) MIX & PUMP A 50 SX. CMT. PLUG @ 910'-1,010'; WOC & TAG TOP OF CMT. PLUG.
- 5) MIX & PUMP A 35 SX. CMT. PLUG @ 380'-485'; WOC & TAG TOP OF CMT. PLUG.
- 6) MIX & PUMP A 20 SX. CMT. SURF. PLUG @ 3'-63'.
- 7) DIG OUT & CUT OFF WELLHEAD 3' B.G.L.; WELD STEEL PLATE ON CASING & SET DRY HOLE MARKER.



APPROVED FOR 6 MONTH PERIOD
ENDING 6-9-06

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DAVID A. EYLER	Title AGENT
	Date 11/29/05

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, and Title 43 U.S.C. Section 1212, 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

(3 STRING CSNG)

LC-030177-A

OPERATOR GRUPE PETROLEUM MANAGEMENT CO.
LEASENAME C.W. SHEPHERD "A" FED.

SECT 6 TWN

WELL # 2

FROM 1.650' N/S L

26 S RNG 37 E

TD: 3.080'

FORMATION @ TD YATES / 7-RIVERS

PBTD: 3,037'

FORMATION @ PBTD

	SIZE	SET @	TOC	TOC DETERMINED BY	
SURFACE	8-5/8"	431'	SURF.	CDRC.	
INTMED 1					
INTMED 2					
PROD	4-1/2"	3,068'	1,080'	CBL	
	SIZE	TOP	BOT	TOC	DETERMINED BY
LINER 1					
LINER 2					
	CUT & PULL @			TOP - BOTTOM	
INTMED 1			PERFS	2,798' - 2,907'	
INTMED 2			OPENHOLE	-	
PROD					

^ REQUIRED PLUGS DISTRICT I

RUSTLER (ANHYD)	960'
YATES	2,785'
QUEEN	
GRAYBURG	
BAN ANDRES	
CAPTAIN REEF	
DELAWARE	
BELL CANYON	
CHERRY CANYON	
BRIMLEY CANYON	
BONE SPRING	
GLORIETA	
BLINEBRY	
TUBS	
DEBKARD	
ABO	
WC	
PENN	
STRAWN	
ATOKA	
MORROW	
SEES	
DEVONIAN	

[illegible]

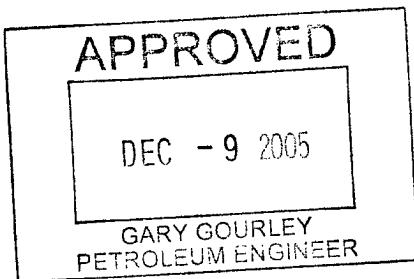
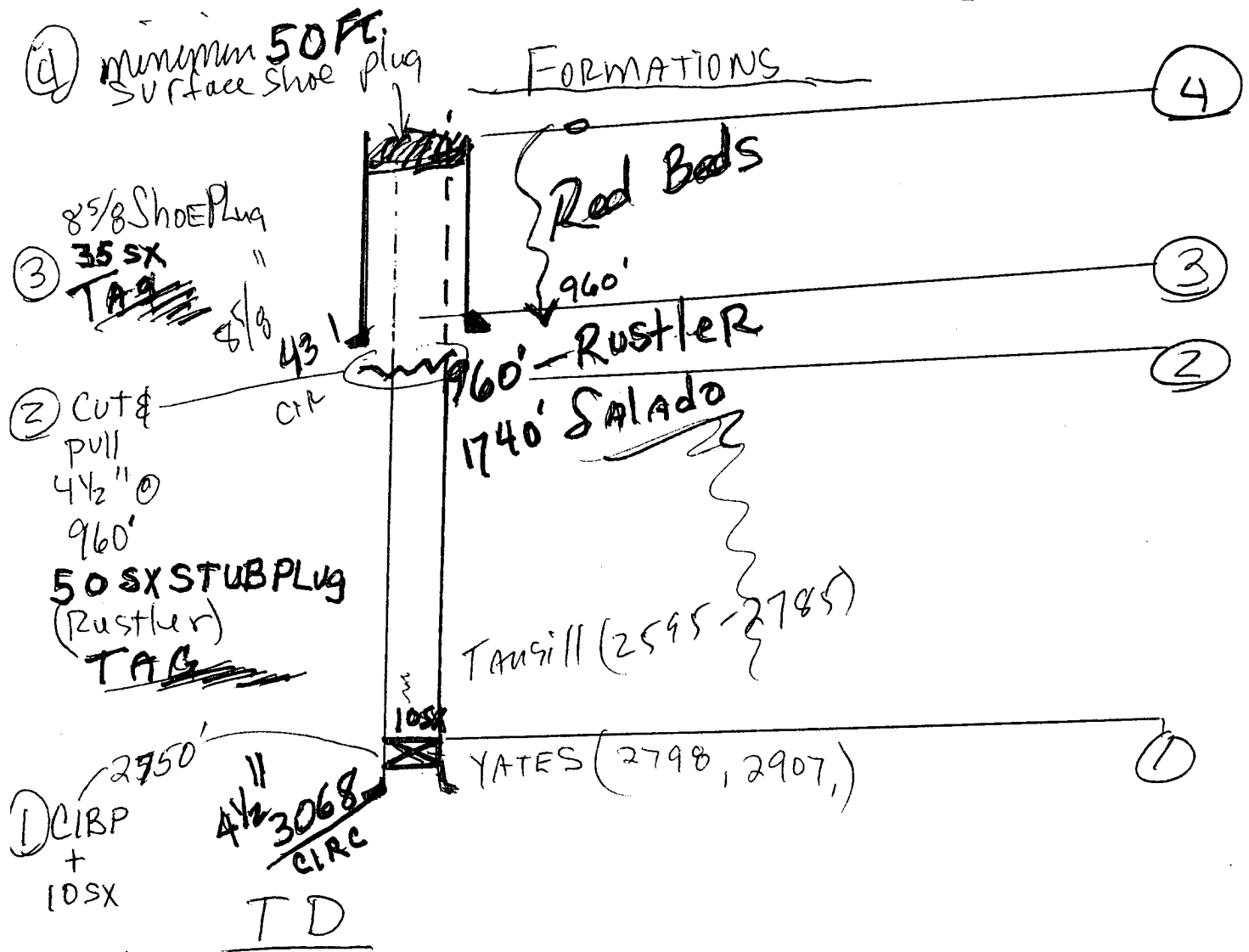
8.5/8"
@ 431'
TOC SURF.

4-1/2"
@ 3.068'
TOC 1.080'

@
TOC

TD 3,080'

Hobbs L+E BLM
505-393-3612



LC 030177-A
CW Shepard 'A' #2 Federal
30-025-31614
1650/N 660/E Sec. 6-H, 26S
Gruy Petroleum Mng., 37E
469-443-6489

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272, in Eddy County call (505) ~~361-2822~~; for wells in Lea County call (505) 393-3612. 134-5972

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.