

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 surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& intermediate casing
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

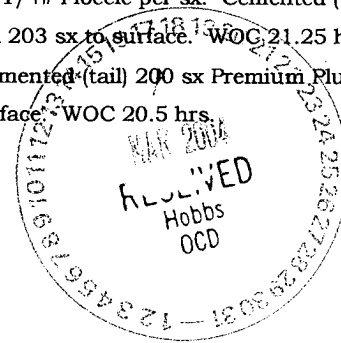
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths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

02-20-04 Spud 17-1/2" hole at 6am CST.

02-21-04 Ran 13-3/8" casing to 436.' Cemented (lead) 340 sx Premium Plus = 4% Gel + 2% CaCl + 1/4# Flocele per sx. Cemented (tail) 150 sx Premium Plus cement + 2% CaCl. Plugged down & bumped with 450#. Circulated 203 sx to surface. WOC 21.25 hrs.

02-27-04 Ran 9-5/8" casing to 3525.' Cemented (lead) 1000 sx Interfill C + 1/4# Flocele per sx. Cemented (tail) 200 sx Premium Plus cement + 2% CaCl per sx. Plugged down & bumped with 1700#. Circulated 430 sx to surface. WOC 20.5 hrs.

Please see attached drilling report.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Signature

*Natalie Krueger*

Title

Production Assistant

Date

March 9, 2004

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) DAVID R. GLASS

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.

(Instructions on reverse)

GWW

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

February 20, 2004 Thru February 28, 2004

### OPERATED

#### QUAIL RIDGE

GRUY PETROLEUM MANAGEMENT CO

76733 MESCALERO 20 FEDERAL 1

LEA, NM

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

W.I. Pct BCP 50.00 %

W.I. Pct ACP 50.00 %

Morrow / 13,500'

02/20/2004

Depth 0

Progress 0

AFE: 22044

Present Operation: Preparing to Spud

Location staked by Basin Surveys on 2/4/2002 - 1,980' FSL & 1,200' FEL of Sec. 20 T-19-S R-34-E in Lea County, New Mexico. Sweatt Construction built location & road in Sept. 2002 & pits 2/2/04 to 2/3/04. Abbott Brothers set 20" conductor pipe at 38' FGL & cemented with 3 3/4 yds. ready mix cement - dug rat & mouse holes on 2/4 & 5/04. Akome, Inc. plastic lined & fenced reserve pit on 2/9/04 - JWS put water in reserve pit to hold down the plastic on 2/9/04. MIRU Patterson-UTI Rig # 75 on 2/18/04 & 2/19/04. Welded flow nipple onto conductor pipe - mixed spud mud - preparing to spud well.

02/21/2004

Depth 436

Progress 375

AFE: 22044

Present Operation: NU BOP

Drill from 61' to 245' (Spud 17 1/2" Hole at 6:00 AM (CST) 2/20/2004) WLS @ 193' = 1/4o Drill from 245' to 436' TD (Reached TD of 17 1/2" hole at 12:45 PM (CST) 2/20/2004) Circulate & pump viscous sweep Drop Totco @ 436' = 3/4o & trip out to run 13 3/8" surface casing - LD BHR, shock sub & bit RU casing crew & ran 13 3/8" casing (See Casing Detail) RU Halliburton & circulated to clear 13 3/8" casing Hall. cemented 13 3/8" csg. (Lead) 340 sx Prem. Plus Cement + 4% Gel + 2% CaCl + 1/4# Flocele per sx, (Tail) 150 sx Prem. Plus Cement + 2% CaCl - plug down & bumped with 450# at 6:55 PM (CST) 2/20/04 - circulated 203 sx cement to surface - Jim McCormick w/ the BLM witnessed job WOC & cut off 20" conductor pipe - jet & clean steel pits Cut off 13 3/8" casing & weld on a 13 3/8" SO X 13 5/8" 3,000# Braden Head & test to 500# - OK NU BOP & choke manifold

02/22/2004

Depth 995

Progress 559

AFE: 22044

Present Operation: Drlg

NU BOP & choke manifold Test BOP blind rams, choke manifold, 13 3/8" casing, well head & associated equipment to 1,000# for 10 mins. each with rig pump - BLM was alerted, but did not witness tests PU & TIH with Bit # 2, motor, BHA, 3 - 8" DC's & 1 jt. DP Test BOP 4 1/2" pipe rams & TIW valve to 1,000# for 10 mins. with rig pump - OK LD 1 jt. of DP & continued TIH with 8" DC's - tagged cement at 385' Test Hydril, lower & upper kelly cocks to 1,000# for 10 mins. each with rig pump - OK Drill cement, plug, FC, cement & shoe from 385' to 436' Drill from 436' to 868' (88 RPM motor - 40 RPM rotary - 15K to 30K bit wt.) - back on formation at 5:00 PM (CST) 2/21/2004 WLS @ 791' = 1/4o Drill from 868' to 995' (88 RPM motor - 40 RPM rotary - 15K to 30K bit wt.)

02/23/2004

Depth 1,694

Progress 699

AFE: 22044

Present Operation: Drlg

Drill from 995' to 1,214' (88 RPM motor - 40 RPM rotary - 15K to 30K bit wt.) Service rig Drill from 1,214' to 1,340' (88 RPM motor - 40 RPM rotary - 15K to 30K bit wt.) WLS @ 1,263' = 3/4o Drill from 1,340' to 1,694' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.)

Monday, 8 March, 2004

MESCALERO 20 FEDERAL 1

02/24/2004 Depth 2,340  
Progress 646  
AFE: 22044 Present Operation: Drlg

Drill from 1,694' to 1,813' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.) WLS @ 1,736' = 1o  
Service rig Drill from 1,813' to 2,286' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.) WLS @ 2,209' = 1o  
Drill from 2,286' to 2,340' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.)

02/25/2004 Depth 3,230  
Progress 890  
AFE: 22044 Present Operation: Drlg

Drill from 2,340' to 2,634' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.) Service rig Drill from 2,634' to 2,760' (88 RPM motor - 40 RPM rotary - 15K to 35K bit wt.) WLS @ 2,683' = 1/2o  
Drill from 2,760' to 3,230' (88 RPM motor - 40 RPM rotary - 15K to 40K bit wt.)

02/26/2004 Depth 3,525  
Progress 295  
AFE: 22044 Present Operation: RU LD Machine to LD 8" DCs

Drill from 3,230' to 3,235' (88 RPM motor - 40 RPM rotary - 35K to 40K bit wt.) WLS @ 3,158' = 3/4o  
Drill from 3,235' to 3,266' (88 RPM motor - 40 RPM rotary - 40K to 45K bit wt.) Service rig Drill from 3,266' to 3,525' TD (88 RPM motor - 40 RPM rotary - 40K to 45K bit wt.) - (reached TD of 12 1/4" hole at 3:15 AM (CST) 2/26/2004) ran Davis Fluid Caliper - it will take 1,978 ft.3 of cement to circulate to surface with 9 5/8" casing set at 3,525' Pump 60 bbl. viscous sweep & circulate Drop Totco @ 3,525' & POOH LD top 12 jts. of 4 1/2" DP & standing back 27 stands 4 1/2" DP RU laydown machine - preparing to POOH LD 8" DC's

02/27/2004 Depth 3,525  
Progress 0  
AFE: 22044 Present Operation: Installing Wear Bushing

POOH LD DC's, IBS, BHR, motor & Bit # 2 12 1/4" Rental HTC HR-S30C 3-16's serial # 6016747 in @ 436' out @ 3,525' cut 3,089' in 103.75 hrs. condition T2 B3 in gauge RU casing crew & ran 9 5/8" casing (See Casing Detail) - RD casing crew & lay down machine RU Halliburton - washed 20' of fill from 3,505' to 3,525' TD & circulated to clear casing Hall. cemented 9 5/8" csg. (Lead) 1000 sx Interfill "C" + 1/4# Flocele per sx, followed by (Tail) 200 sx Premium Plus Cement + 2% CaCl per sx - plug down & bumped with 1,700# at 4:43 PM (CST) 2/26/04 - circulated 430 sx cement to surface - Kathy Haston with the BLM witnessed job ND & PU BOP - set 9 5/8" casing slips in 165,000# - cut off 9 5/8" casing - install a 13 5/8" 3,000# X 11" 5,000# "B" Section well head spool & test to 3,000# - OK - NU BOP & choke manifold Test BOP, choke manifold & associated equipment with Man Welding Service to 5,000# - OK - dart valve & TIW valve failed to test - Kathy Haston w/ the BLM witnessed the tests Installing wear bushing & RD Man Welding BOP Tester

02/28/2004 Depth 4,012  
Progress 487  
AFE: 22044 Present Operation: Drlg

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.)