

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO. 30-025- 35971
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Pennzoil 36 State Com
2. Name of Operator Gruy Petroleum Management Co.	8. Well No. 2
3. Address of Operator P. O. Box 140907 Irving Tx 75014-0907	9. Pool name or Wildcat Quail Ridge; Morrow
4. Well Location Unit Letter <u>A</u> : <u>1050'</u> Feet From The <u>North</u> Line and <u>1210'</u> Feet From The <u>East</u> Line Section <u>36</u> Township <u>19S</u> Range <u>33E</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

See Attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Natalie Krueger TITLE Production Assistant DATE 09/27/02
TYPE OR PRINT NAME Natalie Krueger TELEPHONE NO. 972-401-3111

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

ORIGINAL SIGNED BY
GARY W. WINK

OC FIELD REPRESENTATIVE II/STAFF MANAGER

DATE OCT 11 2002



Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

Well History

September 6, 2002 Thru September 27, 2002

OPERATED

MALLON EAST

GRUY PETROLEUM MANAGEMENT CO				W.I. Pct BCP	37.50 %
76806 PENNZOIL STATE COM 36 2				W.I. Pct ACP	37.50 %
LEA, NM				Morrow/Atoka / 14,000'	
Sec 36, T19S, R33E					
09/06/2002	Depth	527	Daily Cost:	\$83,154	
	Progress	527	Cumulative Costs:	\$83,154	
AFE:	22116	Present Operation: NU BOP & Choke Manifold			
Drill from 63' to 393' - (Spud a 17 1/2" hole at 6:00 AM CDT 9/5/02) Service rig WLS @ 347' = 1/2 deg. Drill from 393' to 527' TD - (Reached TD of 17 1/2" hole at 1:45 PM CDT 9/5/02) Circulate Drop Totco @ 527' = 3/4 deg. & trip out to run casing Ran 12 jts. 13 3/8" 48# H-40 8rd ST&C New Casing w/ a 13 3/8" Hall. Texas Patt. Shoe on bottom & a 13 3/8" Insert Float installed in collar of bottom jt. - total pipe = 532.95' set @ 527' KB - KB to GL = 23.00' Ran 5 Hall. Centralizers: 512', 394', 306', 216' & 83' KB RU Halliburton & wash casing 35' to bottom Halliburton cement 13 3/8" casing with (Lead) 400 sx Premium Plus Cement + 4% Gel + 2% CaCl + 1/4# Flocele per sx (Tail) 150 sx Premium Plus Cement + 2% CaCl - plug down & bumped with 590# at 7:50 PM 9/5/02 - circulated 252 sx cement to pit - NM Oil & Gas Comm. was notified - did not witness job WOC & cut off 20" conductor pipe Cut off 13 3/8" casing & weld on a 13 3/8" SO X 13 5/8" 3,000# Braden Head & test welds to 500# - OK. NU 13-5/8" 5000# double BOP hydril, Smith rotating head bowl & choke manifold.					
09/07/2002	Depth	1,270	Daily Cost:	\$27,294	
	Progress	743	Cumulative Costs:	\$110,448	
AFE:	22116	Present Operation: Drlg			
NU a 13 5/8" 5,000# double BOP, Hydril, rotating head bowl & choke manifold Service rig Test BOP blind rams, choke manifold, well head & casing to 600# with rig pump - OK PU Bit & BHA - TIH on 8" DC's - tagged cement at 477' Drill cement, plug & insert float Test BOP pipe rams, choke manifold, well head & casing to 600# with rig pump - OK Drill cement & shoe Drill from 527' to 1,062' (Back on formation at 3:00 PM 9/6/2002) WLS @ 1,016' = 1/2O Drill from 1,062' to 1,270'					
09/08/2002	Depth	2,150	Daily Cost:	\$15,655	
	Progress	880	Cumulative Costs:	\$126,103	
AFE:	22116	Present Operation: Drlg			
Drill from 1,270' to 1,379' Service rig Drill from 1,379' to 1,537' WLS @ 1,491' = 1/2O Drill from 1,537' to 2,011' WLS @ 1,965' = 1/2O Drill from 2,011' to 2,150'					
09/09/2002	Depth	2,961	Daily Cost:	\$9,760	
	Progress	811	Cumulative Costs:	\$135,863	
AFE:	22116	Present Operation: Running WLS			
Drill from 2,150' to 2,487' Service rig WLS @ 2,441' = 1/2O Pump soft line & chain out for hole in DP - top jt. of 14th stand from surface - 3" horizontal crack with a 1" long wash out - 25 1/2" down from top of box end (12 jts. DP above DC's) - LD bad jt. of DP POOH to top of DC's - TIH Wash 45' to bottom - no fill Drill from 2,487' to 2,961' WLS @ 2,915' = 1 3/4O					
09/10/2002	Depth	3,395	Daily Cost:	\$26,788	
	Progress	434	Cumulative Costs:	\$162,651	

AFE:	22110	Present Operation: Drlg
		Drill from 2,961' to 2,993' Drop Totco @ 2,993' = 1 1/20 & trip out for bit Change out bits & service rig - Bit # 2 12 1/4" Security XS1 3-18's in @ 527' out @ 2,993' cut 2,466' in 61 hrs. condition = T3 B3 in gauge Trip in hole with Bit # 3 Wash 70' to bottom - no fill Drill from 2,993' to 3,395'
09/11/2002		Depth 3,814 Daily Cost: \$12,224
		Progress 419 Cumulative Costs: \$174,875
AFE:	22116	Present Operation: Drlg
		Drill from 3,395' to 3,503' Service rig WLS @ 3,489' = 10 Drill from 3,503' to 3,814' - Lost 100% Circulation @ 3,812' Pump 125 bbl. pill of 45 vis. mud & LCM Trip out to unplug bit - LD both IBS's Unplug bit - one jet was plugged with rubber & redress bit TIH - stopped at 5 stands out Waiting on enough volume of water to build up in reserve pit & drilling mud (Lone Star Mud hauler sent our mud to Patterson-UTI Rig # 78 instead of our rig)
09/12/2002		Depth 4,315 Daily Cost: \$14,495
		Progress 501 Cumulative Costs: \$189,370
AFE:	22116	Present Operation: Drlg
		Waiting on enough volume of water to build up in reserve pit TIH with 5 stands DP Wash 60' to bottom - bridge at 40' from bottom - soft fill there after Drill from 3,814' to 3,935' - no returns Service rig Drill from 3,935' to 4,030' - no returns WLS @ 3,984' = 10 Drill from 4,030' to 4,315' - no returns
09/13/2002		Depth 4,534 Daily Cost: \$30,827
		Progress 219 Cumulative Costs: \$220,197
AFE:	22116	Present Operation: Drlg - No Returns
		Drill from 4,315' to 4,327' - no returns - PU to change pumps - lost 70,000# string weight Trip out of hole - twisted off at the pin of the 6 1/4" DC that is screwed into the X~O sub on top of the 8" DC's - fish consists of X~O sub, 18 - 8" DC's, shock sub & bit (540.87') - top of fish @ 3,786' Service rig Cut 130' of drilling line Wait on fishing tools PU & TIH with a 9 5/8" overshot w/ cut lip guide & 7 5/8" grapple, X~O sub, bumper sub, X~O sub, 5 - 6 1/4" DC's & DP - worked over & latched onto fish @ 3,786' - pulled fish free Chained out of hole with fish - recovered entire fish - LD fishing tools & X~O sub POOH with the 8" DC's, shock sub & bit - unplugged & checked bit - OK - TIH - tagged up at 4,254' Wash 73' to bottom - soft fill - no problems Drill from 4,327' to 4,505' - no returns WLS @ 4,457' = 10 Drill from 4,505' to 4,534' - no returns
09/14/2002		Depth 4,739 Daily Cost: \$40,291
		Progress 205 Cumulative Costs: \$260,488
AFE:	22116	Present Operation: Drlg
		Drill from 4,534' to 4,663' - no returns Service rig Drill from 4,663' to 4,739' TD - no returns (Reached TD of 12 1/4" hole at 7:45 PM CDT 9/13/2002) Circulate & pump 30 bbl. viscous mud sweep with LCM Drop Totco @ 4,739' = 1 1/40 & trip out for open hole logs RU Halliburton & run open hole logs from 3,800' to 200' (Spectral Density Dual-Spaced Neutron Log & Dual Laterolog Micro- Spherically Focused Log) - High Resolution Induction Log would not work due to high chlorides in drilling fluid above lost circulation zone at 3,812' - no problems RD Halliburton Logging Truck
09/15/2002		Depth 34,739 Daily Cost: \$131,154
		Progress 0 Cumulative Costs: \$391,642
AFE:	22116	Present Operation: WOC - Strap & Caliper BHA

11H - tagged up @ 4,022' service line wash & room 117 - no returns POOH with DP RU laydown
returns Spot 100 bbl. pill of viscous mud & LCM on bottom - no returns POOH with DP RU laydown
machine & PC LD 5 - 6 1/4" DC's, X-O sub, 18 - 8" DC's, ck sub & bit RU casing crew & ran 9
5/8" casing (See Casing Detail) - tagged up 4,635' RU Halliburton & attempt to wash csg. to bottom
(4,739'), got casing down to 4,676' KB with little further progress - at the rate csg. was washing down -
would run out of water - decided to set casing @ 4,676' KB Halliburton cemented 1st stage (Lead) 200
sx Interfill "C" + 1/4# Flocele / sx & (Tail) 200 sx Premium Plus Cement + 1% CaCl + 1/4# Flocele / sx
- plug down & bumped w/ 605# at 6:49 PM 9/14/02 - no returns through out job - dropped bomb & set
Weatherford DV Packer @ 3496' to 3,500' & opened DV Tool with 1,960# at 7:15 PM 9/14/02 -
Halliburton immediately cemented 2nd stage - (full returns after 135 bbls. pumped) - (Lead) 1800sx
Interfill "C" + 1/4# Flocele / sx & (Tail) 100 sx Premium Plus Cement + 1% CaCl + 1/4# Flocele / sx -
plug down & closed DV Tool with 2,500# at 9:29 PM 9/14/02 - cement didn't circulate - NM Oil & Gas
Comm. was notified, but didn't witness job. ND BOP, set 9 5/8" csg. slips in 164,000#, cut off 9 5/8"
csg., NU 13 5/8" 3,000# X 11" 5,000# "B" Section & test to 1,800# - OK 1:00 - 5:00 - 4 hrs. NU
BOP's & choke manifold & test same to 5,000# - OK 5:00 - 6:00 - 1 hr. WOC - move DC's & DP to
pipe racks - strap & caliper DC's & BHA - 24 hrs. total