



Gruy Petroleum Management Co.

600 East Las Colinas Blvd. • Suite 1200 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

October 5, 1998

NSP-1833

Lori Wrotenbery, Director
Michael J. Stogner, Chief Hearing Council
New Mexico Oil Conservation Division
2040 South Pocheco
Santa Fe, New Mexico 87505

Re: Request for Non-standard Proration Unit
N/2NE/4 17-26S-37E
Lea County, New Mexico

Dear Ms. Wrotenbery and Mr. Stogner:

Gruy Petroleum Management Co. requested administrative approval of the referenced non-standard proration unit on September 21, 1998. Enclosed please find another color coded plat and table that we feel better describes the offset SPU's. Gruy Petroleum Management, Co. is the only offset operator and we plan to re-enter the referenced well and complete a gas well at a standard location in the Rhoades-Yates-Seven Rivers Gas Pool.

We are enclosing for your reference another copy of the application to drill and Form C-102. Hopefully this plat and table will help you in determining administrative approval for the non-standard proration unit. Should you have any question or need additional information, please call.

Sincerely,

Zeno Farris

Zeno Farris
Manager, Operations Administration

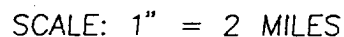
XC: BLM – Roswell
OCD - Hobbs

/lc

List of Offset SPU's
GRUY PETROLEUM MANAGEMENT CO.
Rhoades Federal Unit No.171
Rhoades Gas Pool

OFFSET SPU	COLOR CODE	Well Name & Pool #	OPERATOR	ACERAGE DESCRIPTION	ACRES	NON- STANDARD SPU
1	Red	Rhoades Federal Unit No. 85	Gruy Pet. Management Co.	SE/4SW/4 Section 8	40	Non-Standard
2	Green	Rhoades Federal Unit No. 83	Gruy Pet. Management Co.	E/2SE/4, SW/4SE/4 Section 8	120	Non-Standard
3	Purple	Rhoades Federal Unit No. 91 Rhoades Federal Unit No. 97	Gruy Pet. Management Co.	SW/4 Section 9	160	Standard
4	Blue	Rhoades State Com No. 5 Rhoades State Com No. 18 Rhoades State Com No. 19	Gruy Pet. Management Co. Gruy Pet. Management Co. Gruy Pet. Management Co.	NW/4 Section 16	160	Standard
5	Orange	Elliott Federal No.3	Gruy Pet. Management Co.	S/2NE/4, E/2SE/4 Section 17	160	Non-Standard
6	Brown	Elliott Federal No. 1	Gruy Pet. Management Co.	E/2W/2 Section 17	160	Non-Standard

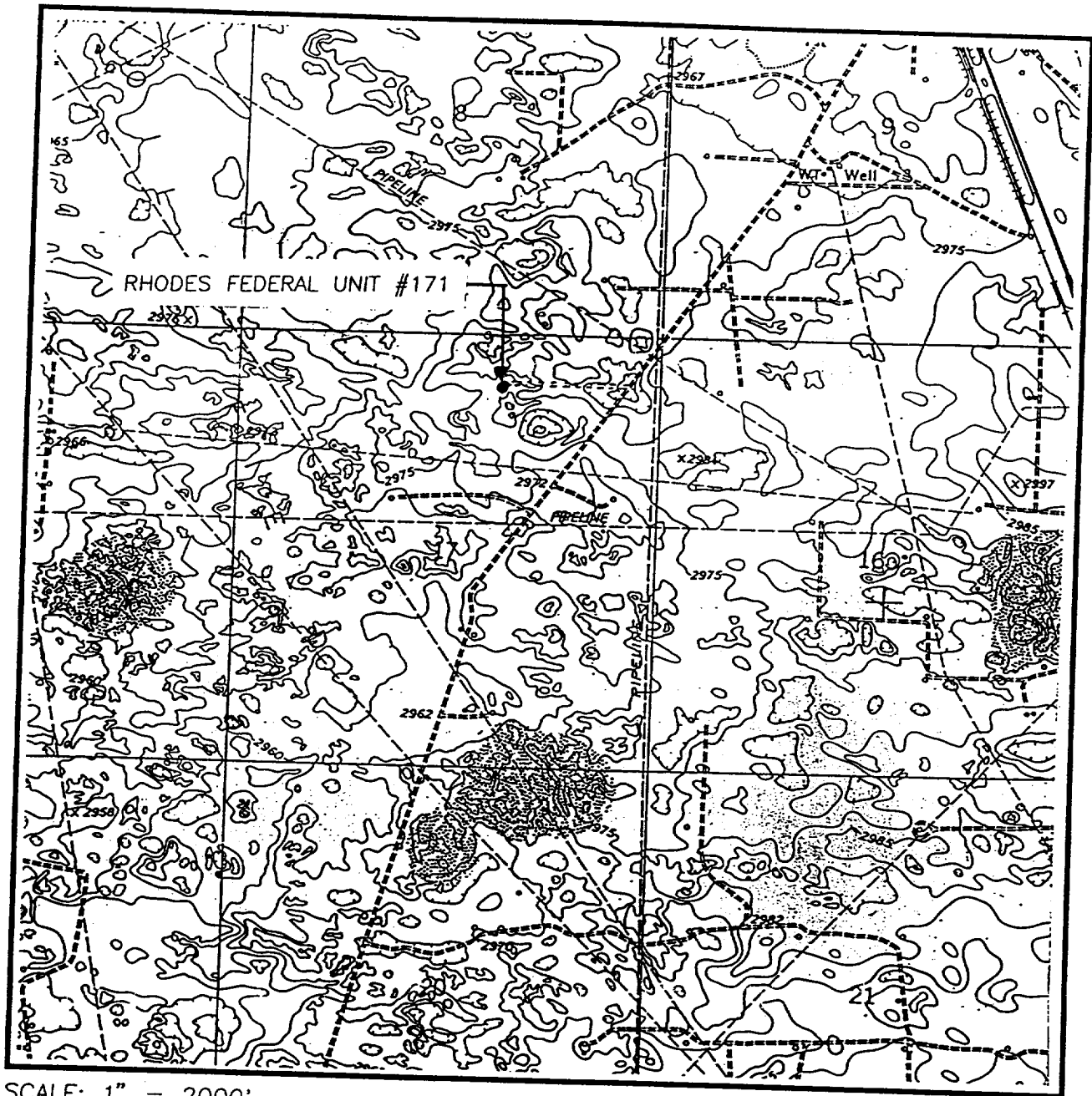
North



LEASE RHODES FEDERAL UNIT

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
JAL - 5'

SEC. 17 TWP. 26-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FNL & 1980' FEL

ELEVATION 2977

OPERATOR GRUY PETROLEUM
MANAGEMENT CO.

LEASE RHODES FEDERAL UNIT

U.S.G.S. TOPOGRAPHIC MAP

JAL, N.M.

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