



**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*

September 21, 1998

Lori Wrotenbery, Director  
Michael J. Stogner, Chief Hearing Officer  
New Mexico Oil Conservation Division  
2040 South Pacheco  
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. requests administrative approval of the referenced non-standard proration unit under Division General Rule 104(D)(2)(b). The N/2NE/4 of section 17-26S-37E will be dedicated to the proposed Rhodes Federal Unit No. 171 well. Texaco attempted to drill the H.G. Moberly B No. 3 oil well at this location in the early 1950's. They set surface casing and then decided to plug and abandon the well bore. We anticipate that our re-entry of this well will result in a completed gas well at a standard location in the Rhodes-Yates-Seven-Rivers Gas Pool.

We are enclosing for your reference a copy of our application to drill and Form C-102 along with a color-coded plat depicting the proration units surrounding our proposed location. The requested non-standard proration unit is isolated by previously approved NSP's R-474, and R-475, which are owned and operated by Gruy Petroleum Management Co.

Your consideration in this matter is appreciated. If you have any questions or need further information please feel free to call at 972-443-6489.

Yours truly,

Zeno Farris  
Manager, Operations Administration

Cc: BLM – Roswell  
OCD - Hobbs

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025	<sup>2</sup> Pool Code 83810	<sup>3</sup> Pool Name Rhodes (Yates - Seven Rivers)
<sup>4</sup> Property Code 22321	<sup>5</sup> Property Name Rhodes Federal Unit	<sup>6</sup> Well Number 171
<sup>7</sup> OGRID No. 162683	<sup>8</sup> Operator Name Gruy Petroleum Management Company	<sup>9</sup> Elevation

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	26S	37E		660	North	1980	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 80	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> D USA UNLEASED	C GRUY PETR.	B TEXECO P&A HGM OBERLY B NO 3 GREY PET. RHODES FED UNIT 171 REENTRY	A
E	F ELLIOTT FEDERAL 1 ☀	G NSP R-474	H ELLIOTT FEDERAL 3 ☀ GRUY PET.
L	K NSP R-475	J LANEXCO ET AL	I ● ELLIOTT FED. NO. 6
M	N	O GRUY PETR. HBP	P
<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Zeno Farris Signature Zeno Farris Printed Name Manager Operations Admin. Title June 16, 1998 Date			
<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number			

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

GRUY PETROLEUM MANAGEMENT CO. (ZENO FARRIS) 972-443-6489

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 140907 IRVING, TEXAS 75014-0907 972-443-6489

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface

660' FNL & 1980' FEL SEC. 17 T26S-R37E LEA CO. NM  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 6 miles Southwest of Jal New Mexico.

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drilg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1800'

19. PROPOSED DEPTH

3200'

20. ROTARY OR CABLE TOOLS

ROTARY (REVERSE UNIT)

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2977' GR.

22. APPROX. DATE WORK WILL START\*

As soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4" ?	8 5/8"	32	1184'	already cemented in place Sx. 200
7 7/8"	J-55 5 1/2"	15.5	3200'	1000 Sx. circulate to surface.

1. This a re-entry of a well drilled by Texaco, 8 5/8" casing was set at 1184' then well was drilled to a depth of 3390', cores and tests were taken and run, Texaco elected to plug and abandon this well bore.
2. Gruy Petroleum Management Company wishes to rig up a well service unit and reverse rig to drill out cement plugs and clean out well to a total depth of 3200', run logs and 5 1/2" casing to 3200' and cement to surface.
3. Perforate selected intervals and complete well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*Art J. J. J.*

TITLE Agent

DATE 08/27/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

\*See Instructions On Reverse Side