

Gruy Petroleum Management Co.

600 East Las Colinas Blvd. ♦ Suite 1100 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6450

Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

A subsidiary of Magnum Hunter Resources, Inc. • An American Stock Exchange Company • "MHR"

September 27, 2000

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe New Mexico 87505
Attn: Ms. Lori Wrotenbery

Re: Cooper State No. 3
SW/4 2-24S-36E
Lea County New Mexico

Dear Ms. Wrotenbery:

The referenced well was permitted as a Jalmat gas well, but completed as a Jalmat oil well. The SW/4 of section 2-24S-36E was previously approved as a non-standard proration unit under administrative order NSP-1028. The Cooper State No. 1 and 2 wells are currently simultaneously dedicated in the subject unit, under administrative order NSL-983. Administrative order SD-99-12 authorizes simultaneous dedication of the Cooper State 3 well with the existing Cooper State 1 and 2 wells in the 160-acre Jalmat gas proration unit. It will be necessary to modify NSP-1028 to decrease the Jalmat proration unit to 120 acres.

In this regard, Gruy Petroleum Management Co. is requesting administrative approval of our application to reduce NSP-1028 to 120 acres. A copy of this letter and attachments has been furnished by Certified Mail to offset operators as notice of this application.

If you have any questions or require additional information concerning this application, please contact me at 972-443-6489.

Yours truly,

Zeno Farris
Manager, Operations Administration

Cc: N.M.O.C.D. – Hobbs

**S/2SW/4, NE/4SW/4, Section 2, Township 24S, Range 36E
Lea County, New Mexico**

RE: Application to Amend NSP-1028 to 120 Acres

Notification of Offset Operators:

Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702

Lewis B. Burleson
P.O. box 2479
Midland, Texas 79702

Tennison Oil Company 8140 Walnut Hill Lane
Suite 601
Dallas, Texas 75231

Randall Properties
P.O. Box 187
Midland, Texas 79701

David H. Arrington
P.O. Box 2071
Midland, Texas 79704

MW Petroleum Corporation
2000 Post Oak Blvd.
Suite 100
Houston, Texas 77056

Larry Nermyr
2438 Whitmire Blvd., #9E
Midland, Texas 79705

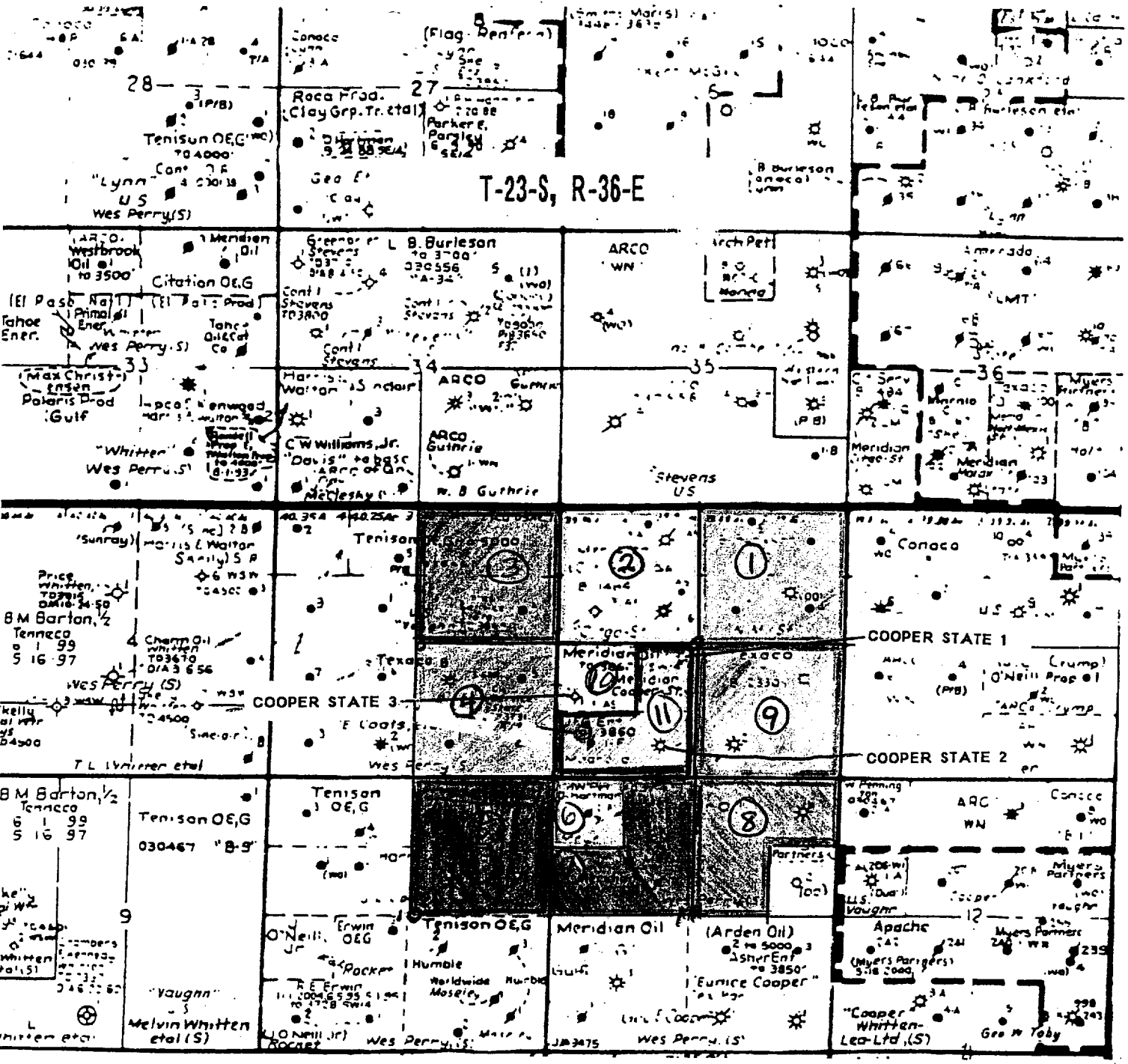
Jack Fletcher
P.O. Box 10887
Midland, Texas 79702

James Burr
25005 Emmerson
Midland, Texas 79705

James A. Davidson
P.O. Box 494
Midland, Texas 79702

George R. Jones
P.O. Box 10253
Midland, Texas 79702

Please find attached evidence that the above listed companies have been sent copies of the NSP-1028 amendment request.



OWNERSHIP PLAT

T-24-S, R-36-E

GRUY PETROLEUM MANAGEMENT CO.

COOPER STATE NO. 3

List of Offset SPU's
GRUY PETROLEUM MANAGEMENT CO.
Cooper State No. 3
Jalmat Gas Pool

OFFSET SPU	COLOR CODE	Well Name	Location	OPERATOR	ACERAGE DESCRIPTION	ACRES	SPU
1	Orange	New Mexico Z State 1 (ACT)	H-2-24-36	Lewis B. Burleson	NE/4 Sec. 2 T-24S-R-36E	160	Non-Standard
2	Lt. Blue	Citgo State AS No. 1 (P&A)	C-2-24-36	Gruy Pet. Management Co.	NW/4 Sec. 2 T-24S-R-36E	160	Non-Standard
3	Brown	Vaughn B 3 No. 4 (ACT)	H-2-24-36	Tennison Oil Company	NE/4 Sec. 3 T-24S-R-36E	160	Non-Standard
4	Dk. Green	None in Jalmat Gas		Texaco Exploration	SE/4 Sec. 3 T-24S-R-36E	160	Non-Standard
5	Dk. Purple	None in Jalmat Gas		Tennison Oil Company et al	NE/4 Sec. 10 T-24S-R-36E	160	Non-Standard
6	Lt. Green	Myers B Federal No. 2 (INA)	D-11-24-36	MW Petroleum Corp. et al	NW/4NW/4 Sec. 11 T-24S-R-36E	40	Non-Standard
7	Red	None in Jalmat Gas		David H. Arrington	E/2NW/4, SW/4NW/4 Sec. 11 T-24S-R-36E	120	Non-Standard
8	Dk. Blue	Myers B No. 6 (ACT)	A-11-24-36	Gruy Pet. Management Co.	N/2NE/4, SW/4NE/4 Sec. 11 T-24S-R-36E	120	Non-Standard
9	Lt. Purple	None in Jalmat Gas		Texaco Exploration	SE/4 Sec. 2 T-24S-R-36E	160	Non-Standard
10	Yellow	Cooper State No. 3 Jalmat Oil	M-2-24-36	Gruy Pet. Management Co.	NWSW/4 Sec. 2 T-24S-R36E	160	Non-Standard
11	Black	Cooper State No. 1 (ACT) Cooper State No./ 2 (ACT)	N-2-24-36 K-2-24-36	Gruy Pet. Management Co.	S/2SW/4, NE/4SW/4 Sec. 2 T-24S-R36E		

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources De

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34729	Pool Code 33820	Pool Name Jalmat, Tansil-Yates 7 Rivers (Oil)
Property Code 21790	Property Name COOPER STATE	Well Number 3
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3367

Surface Location

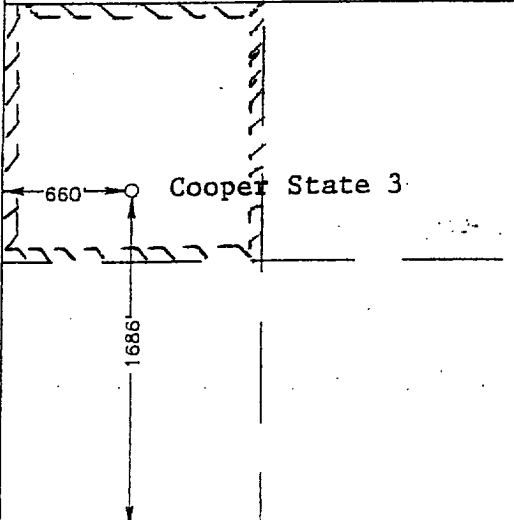
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	24 S	36 E		1686	SOUTH	660	WEST	LEA

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

Dedicated Acres 40	Joint or Infill N	Consolidation Code	Order No.
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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

LOT 4	LOT 3	LOT 2	LOT 1
39.98 ACRES	39.92 ACRES	39.88 ACRES	39.82 ACRES
			

OPERATOR CERTIFICATION

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

Zeno Farris
Signature

Zeno Farris
Printed Name

Manager Ops. Admin.
Title

March 3, 2000
Date

SURVEYOR CERTIFICATION

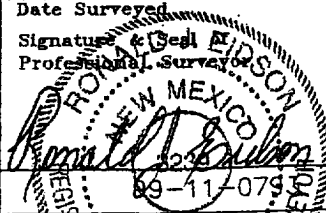
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 23, 1999

Date Surveyed _____ DC

Signature & Seal _____

Professional Surveyor _____



Cert. No. RONALD E. EDISON 3239
GARY E. EDISON 12641
MAGGIE MCDONALD 12185

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources D

Form C-102
Revised February 10, 1994
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DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-26039	Pool Code 79240	Pool Name Jalmat, Talsil-Yates 7 Rivers (Gas)
Property Code 21776	Property Name COOPER STATE	Well Number 2
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3366.8

Surface Location

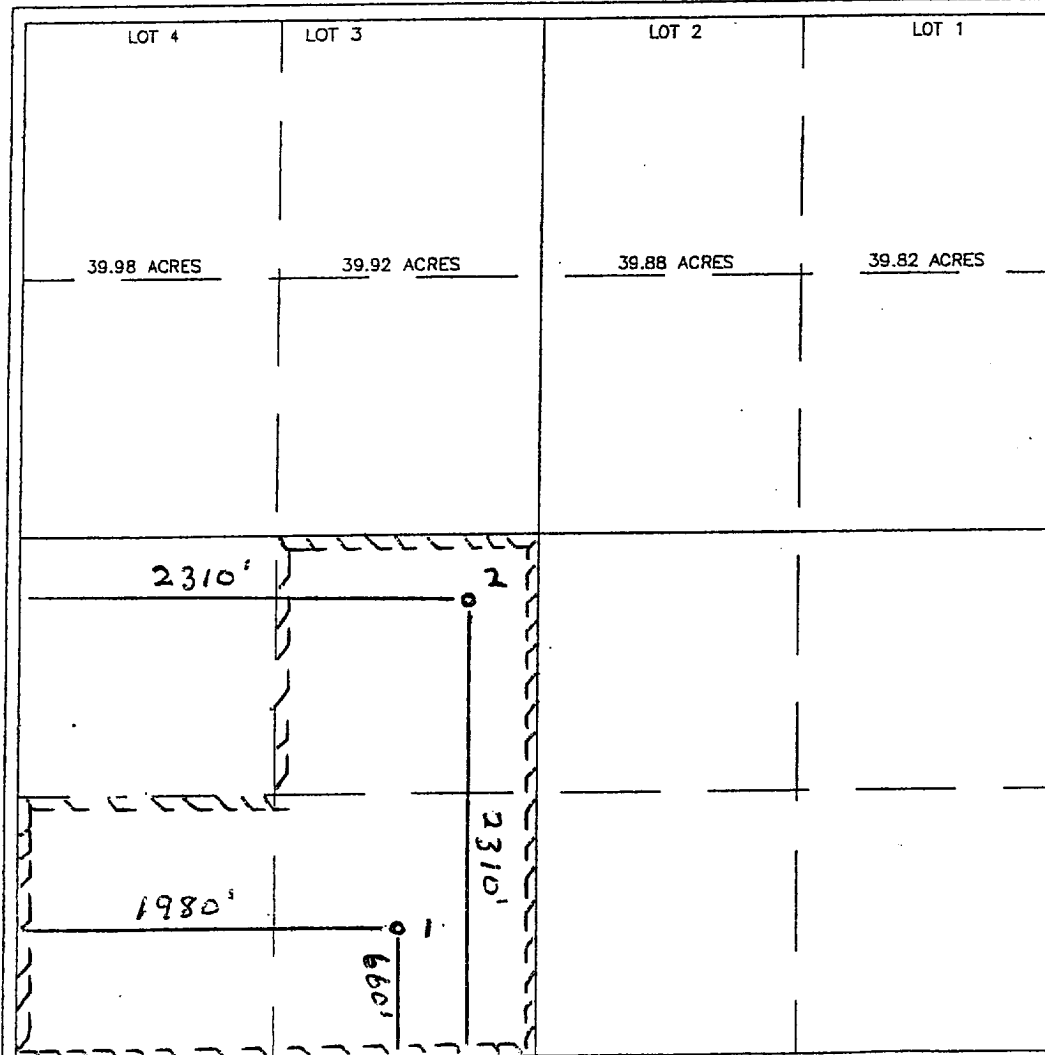
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	24 S	36 E		2310	SOUTH	2310	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120	Y	C	

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



OPERATOR CERTIFICATION

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

Zeno Farris

Signature

Zeno Farris

Printed Name

Manager, Ops. Admin.

Title

March 28, 2000

Date

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.

SEPTEMBER 23, 1999

Date Surveyed DC

Signature & Seal of
Professional Surveyor

Ronald S. Edson
NEW MEXICO
09-11-0782
9-30-99

Certification No. RONALD S. EDSON 3239
12641
PROFESSIONAL SURVEYOR McDONALD 12185

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources D

Form C-10
Revised February 10, 1997
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-25285	Pool Code 79240	Pool Name Jalmat-Tansil-Yates 7 Rivers (Gas)
Property Code 21776	Property Name COOPER STATE	Well Number 1
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 3373

Surface Location

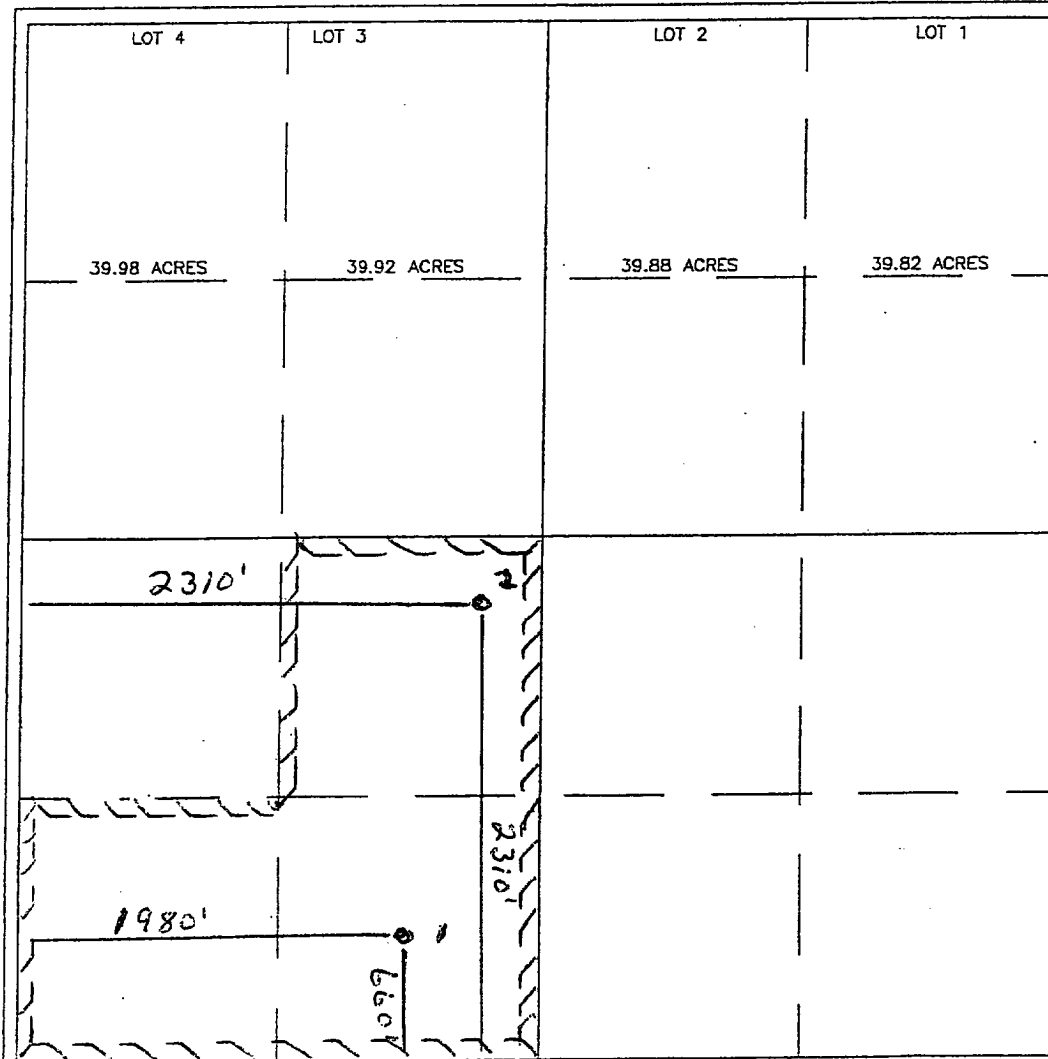
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	24 S	36 E		660	SOUTH	1980	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120	Y	C	

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OPERATOR CERTIFICATION

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

Zeno Farris

Signature

Zeno Farris

Printed Name

Manager, Ops. Admin.

Title

March 28, 2000

Date

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.

SEPTEMBER 23, 1999

Date Surveyed DC

Signature & Seal

Professional Surveyor

RONALD G. EDSON

12641

12185

9-30-99

09-17-0792

Certified by

RONALD G. EDSON

12641

12185