Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-039-22181

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR
Box 3280 Casper, Wyoming 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
I
At proposed prod. zone
1690' FSL & 940' FEL (NE/SE)

5. LEASE DESIGNATION AND SERIAL NO.
Jicarilla 35

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Jicarilla 35

9. WELL NO.
12

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 35, T25N-R5W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 15 miles east of Counselors Trading Post

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
3590'

16. NO. OF ACRES IN LEASE
2515.80

17. NO. OF ACRES ASSIGNED TO THIS WELL
~~160~~ S/320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
3000'

19. PROPOSED DEPTH
7600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6854 Gr. (ungraded)

22. APPROX. DATE WORK WILL START*
September, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	200'+	150 sx. - cement to surface
7 7/8"	4 1/2"	11.60#	7600'+	250 sx.

Energy Reserves Group, Inc. proposes to drill the above referenced well with rotary tools from surface to T.D. The anticipated zone of completion is the Dakota @ 7270'. One DST of the Gallup may be run.

RECEIVED
SEP 20 1979
OIL CON. COM.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 William A. Hess TITLE Field Services Adminst. DATE 8-10-79

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ok Frank

SEP 19 1979

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
ENERGY RESERVES GROUP	JICARILLA 35	12

Unit Letter	Section	Township	Range	County
I	35	25N	5W	Rio Arriba

Actual Footage Location of Well:
1690 feet from the South line and 940 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6854	Dakota	Basin Dakota	~~160~~ (320) Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

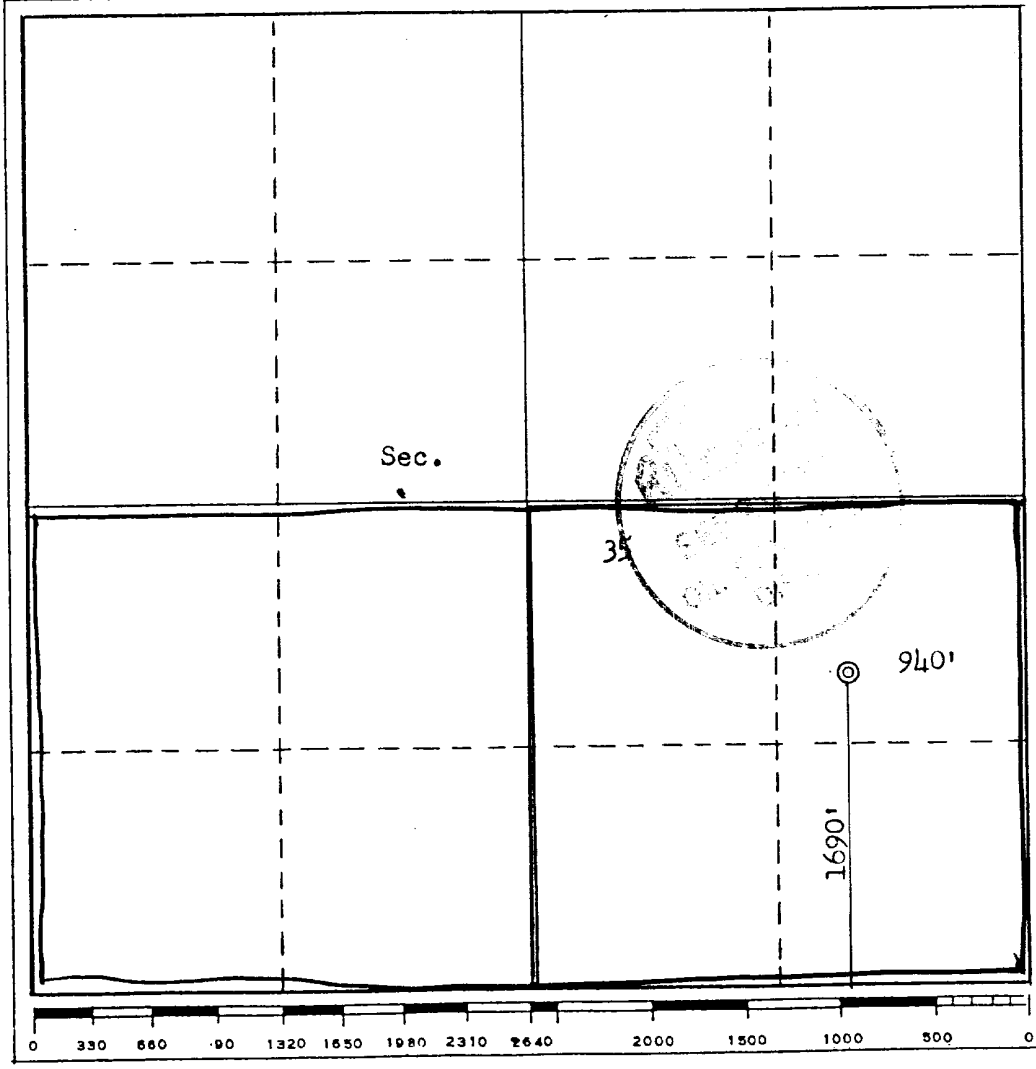
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name: William J. Huss

Position: Field Services Administrator

Company: Energy Reserves Group, Inc.

Date: September 17, 1979

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 knowledge and belief.

Date Surveyed: August 24, 1979

Registered Professional Engineer and/or Land Surveyor: Fred B. Kerr Jr.

Certificate No. 3950

FRED B. KERR JR. NEW MEXICO

Supplemental to Form 9-331C

1. The geologic name of the surface formation.
Undivided Tertiary

2. The estimated tops of important geologic markers.

Ojo Alamo	*2440'*	*Mancos*	*5100'*
Pictured Cliffs	*2920'*	*Gallup*	*6245'*
Chacra	*3750'*	*Greenhorn*	*7070'*
Menefes	*4470'*	*Dakota*	*7270'*
Point Lookout	*4940'*	*T.D.*	*7600'*

3. The estimated depths at which anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered.

2440'	*Ojo Alamo*	*water*
2920'	*Pictured Cliffs*	*gas*
3750'	*Chacra*	*gas*
6245'	*Gallup*	*oil*
7270'	*Dakota*	*gas*

4. The proposed casing program, including the size, grade, and weight-per-foot of each string and whether new or used.

8 5/8" - k-55 - 24# - new
4 1/2" - k-55 - 11.60# - new

5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.

A 10" series, 900 dual ram hydraulic BOP will be used. It will be tested to 800 psi after installation and prior to drilling out from under surface casing. The BOE will be operated on each trip.

6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling and the quantities and types of mud and weighting material to be maintained.

A fresh water base chemical gel will be used for drilling operations. Adequate supplies will be on location to handle any minor lost circulation and blow out prevention.

7. The auxiliary equipment to be used, such as (1) kelly cocks, (2) floats at the bit, (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string.

A kelly cock, and a sub w/drill pipe thread and full opening valve on the rig floor will be used. Monitoring equipment on the mud system will be used.

8. The testing, logging, fracing, and coring programs to be followed with provision made for required flexibility.

No coring is planned. One DST of the Gallup may be run. Logs will consist of, DIL, Density Neutron or Gamma Ray. Fracing will consist of a gel water base material.

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas, along with plans for mitigating such hazards.

No abnormal pressures or temperatures are anticipated. H_2S is not a potential problem in the Dakota Formation.

10. The anticipated starting date and duration of the operations.

It is planned to commence operations in September or October, 1979. It is estimated it will take 15-20 days to drill, log, and complete this well.

MULTI-POINT SURFACE USE PLAN

1. EXISTING ROADS

See attached topographical map
Exisitng roads in the area are maintained by Energy Reserves Group, Inc., Amoco, and El Paso Natural Gas Company

2. PLANNED ACCESS ROADS

Approximately 2000' of new access road will be required.

(1) Maximum width will be a 20' runner
(2) Maximum grade will be less than 8%
(3) No turn outs are planned
(4&5) Any culverts will be installed as per B.I.A. recommendations
(6) It is not planned to surface any roads
(7) No gates, cattle guards, or fence cuts are needed
(8) The proposed road route was flagged @ the time the well was staked

3. LOCATION OF EXISTING WELLS

See attached topo map
(1) There is a tank battery @ Well #1
(2) Oil production facilities are located @ Well #1
(3) There is an existing buried 2" oil gathering line from Well #2 to the tank battery located at Well #1.
(4) Gas gathering lines are buried and are owned by El Paso Natural Gas Company. Energy Reserves Group, Inc. operates a compressor whici is also located near Well #1.
(5&6) There are no injection or disposal lines operated by Energy Reserves Group, Inc.

NEW FACILITIES:

(1&2) See attached plat
It will be necessary to install a gas gathering line to the well. El Paso is the gas purchaser and will lay the lines in their existing system. It may be necessary to install a small tank (200-400 bbl.) to collect any liquid hydro-carbons produced from the well.
(3) If a tank is necessary it will require laying down a gravel pad for a base.
(4) Any rotating equipment will be guarded, pit if any will be fenced and flagged so as to protect livestock and wildlife.
(5) After drilling and completion operations have been completed, those areas disturbed and no longer needed will be recontoured and reseeded as per B.I.A. recommendations.

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is planned to haul water from Largo Canyon which is located 7-8 miles south west of the Jicarilla 35 Lease
B. The water will be hauled by truck over existing roads
C. No water wells are planned

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be obtained from Federal or Indian Lands without prior approval. If any material is required it will be hauled over existing access roads.

7. METHODS FOR HANDLING WASTE DISPOSAL

Drill cuttings and fluids will be contained in the reserve pit. Any produced fluids will be contained in tanks and hauled by truck from the location. Sewage will be disposed of in either a chemical toilet or temporary hole dug with a rat hole digger. Garbage and other waste material will be put into a deep thrash pit fenced with sheep wire to prevent scattering. Garbage will be burned or buried. Upon completion of operations the entire area will be policed up and all trash placed into the pit. After the reserve pit has dried sufficinetly, it will be back filled and recontoured to its original condition.

8. ANCILLARY FACILITIES

None planned

9. WELL SITE LAYOUT

See attached plat

10. PLANS FOR RESTORATION OF SURFACE

Upon completion of operations those areas no longer needed for producing operations will be recontoured and reseeded as per B.I.A. recommendations. The pit will be fenced and allowed to dry before back filling. If there is ant oil on the pit it will be removed or flagging will be installed. Clean up operations will commence as soon as the rig has moved and the pit back filled as soon as it dries.

11. OTHER INFORMATION

The area is generally high desert country. Numerous gullies and washes with visual rock outcroppings. Vegetation consists of Pinion - Juniper trees, sage and other small shrubs, and assorted native grasses. Wildlife consists of Mule deer, coyotes, porcupines, rabbits, and other small rodents and birds. Surface and mineral ownership is the Jicarilla Apache Tribe. There are no occupied dwellings in the immediate vicinity of the well site. An Archaeological Inspection will be performed to determine if there are any significant cultural or historical values.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

T.C. Durham, Bill Fiant, or Roscoe Gillespie will be responsible for assuring compliance with the approved surface use and operation plan.

T.C. DURHAM
Box 977
Farmington, New Mexico
87401
505-327-1639 (Office)
505-325-7978 (Home)
505-325-1873 (Mobil #539)

BILL FIANT
Box 3280
Casper, Wyoming
82602
307-265-7331 (Office)
307-265-2529 (Home)

ROSCOE GILLEPIE
Box 3280
Casper, Wyoming
82602
307-265-7331 (Office)
307-244-0745 (Home)
307-265-4541 (Mobil)

13. CERTIFICATION

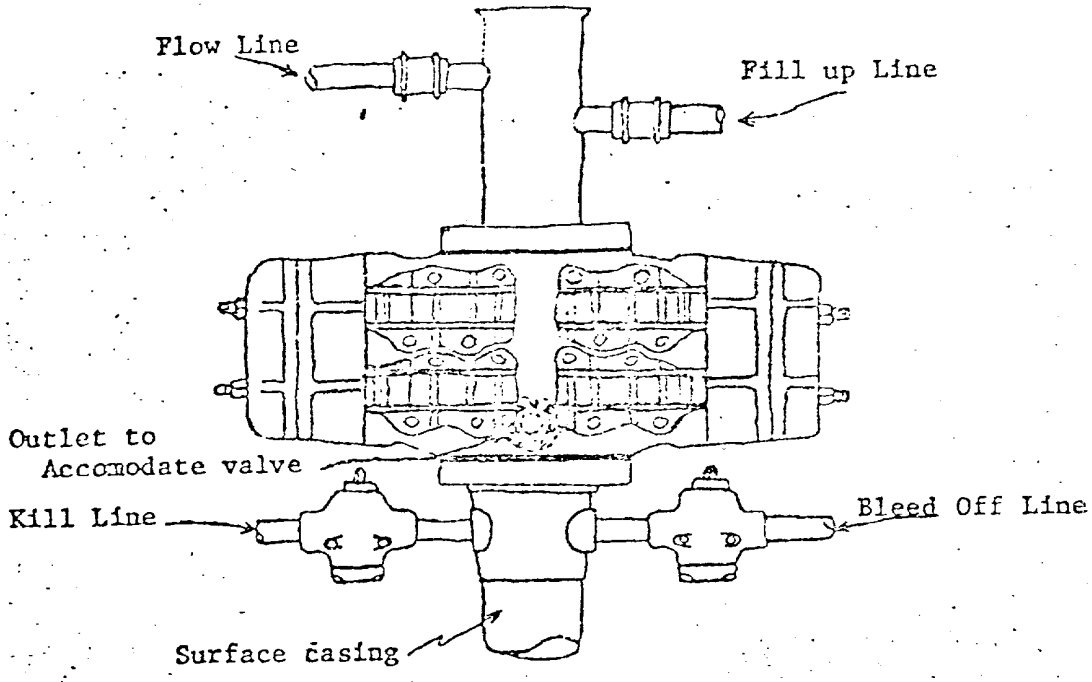
See attached

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by JACK FRITZ and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-17-79
Date

Name and Title
FIELD SERVICES ADMINISTRATOR



Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

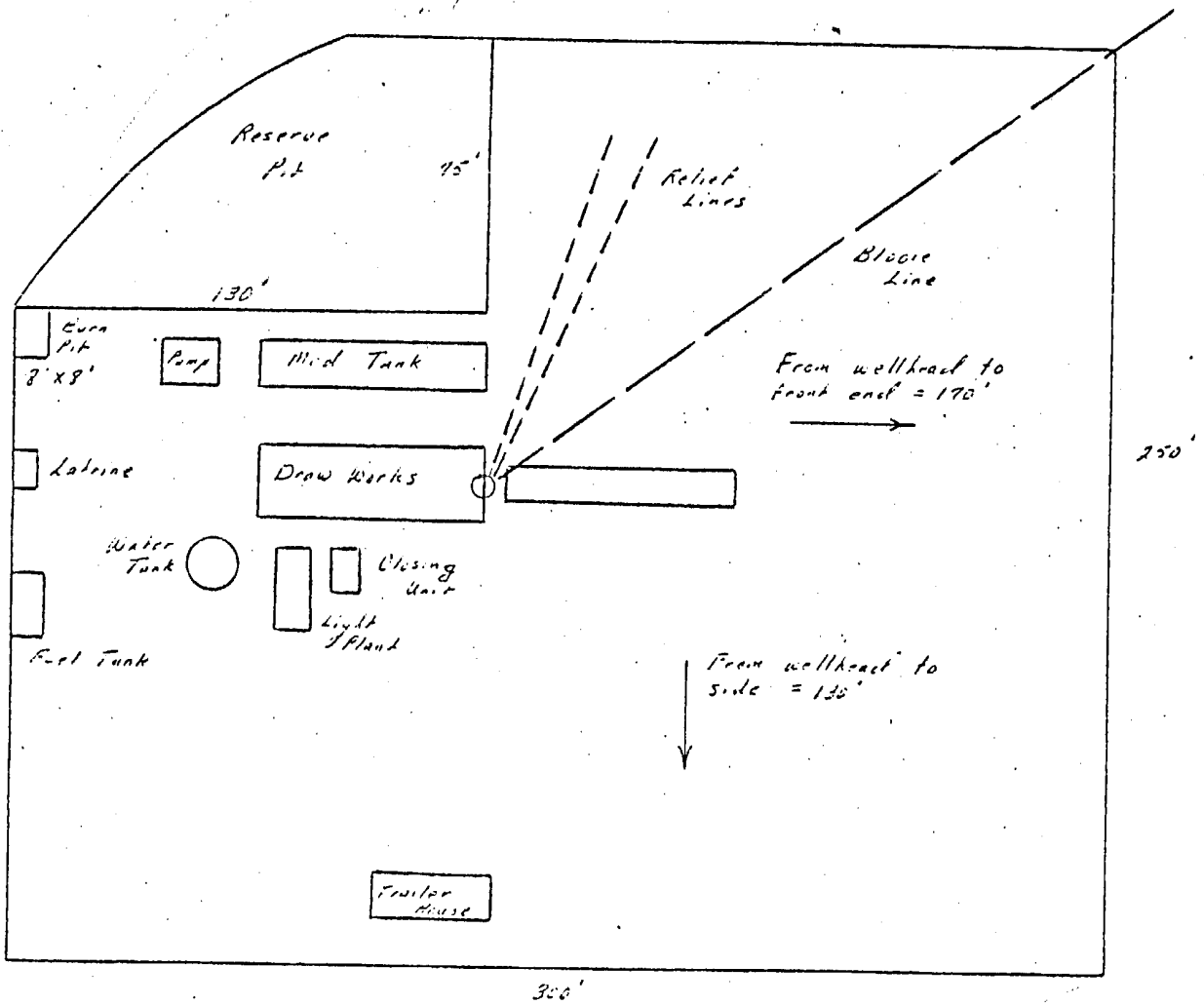
Blowout preventer closing unit is Kooney 30 gallon accumulator unit.

When choke manifold is used, it will be installed downstream from bleed off valve.

Kill line or bleed off line may be installed at flanged opening in blowout preventer.

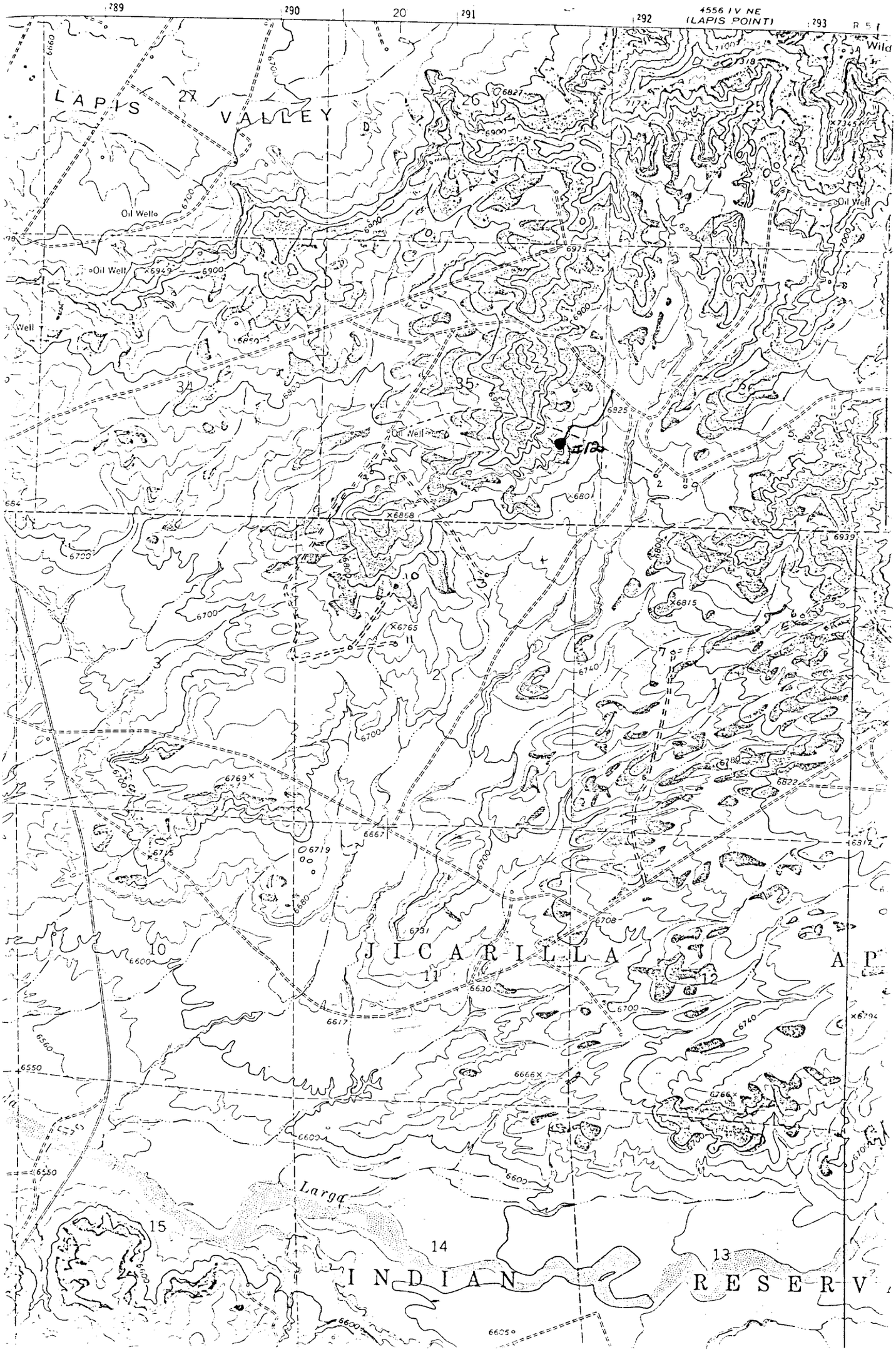
Jicarilla 35 #12

Typical Location Plat for Mesa Verde and Dakota Wells



Jicarilla 35 #12

Road Map



Well Name E.R.G.— JICARILLA 35 #12

Location SE 1/4 sec. 35 T25N;R5W

Formation _____

We, the undersigned, have inspected this location and road.

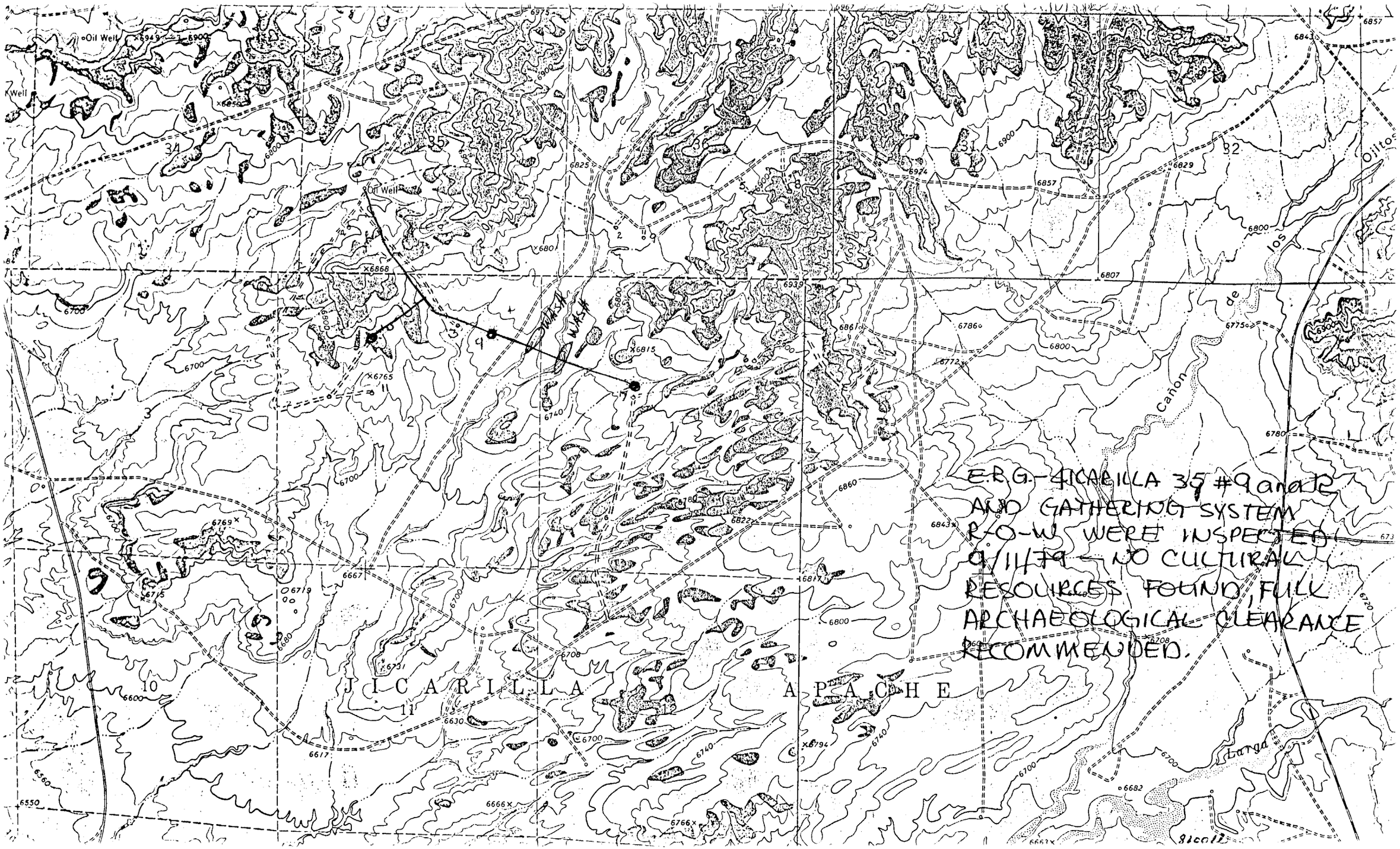
U. S. Forest Service	Date
Dabney Ford Archaeologist	9/11/79 Date
Gary L. Vicenth Bureau of Indian Affairs Representative	9-13-79 Date
Bureau of Land Management Representative	Date
[signature] U. S. Geological Survey Representative	9/18/79 Date

Seed Mixture: _____

Equipment Color: _____

Road and Row: (Same) or (Separate)

Remarks: _____


Oil Well
Oil Well
WASH
Canon de los
Oilto
JICARILLA APACHE
E.R.G.-JICARILLA 35 #9 and R
AND GATHERING SYSTEM
R-O-W WERE INSPECTED
9/11/79 - NO CULTURAL
RESOURCES FOUND, FULL
ARCHAEOLOGICAL CLEARANCE
RECOMMENDED.