Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-24576

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
P.O. BOX 3280 CASPER, WYOMING 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
At proposed prod. zone 1520' FSL and 1820' FEL NW/SE

5. LEASE DESIGNATION AND SERIAL NO.
SF-078019

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
E.H. Pipkin

9. WELL NO.
5-E

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 36,T28N-R11W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 6½ miles south and 1½ miles east of Bloomfield, NM

12. COUNTY OR PARISH: San Juan
13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1820'

16. NO. OF ACRES IN LEASE: 2560

17. NO. OF ACRES ASSIGNED TO THIS WELL: ~~160 (320)~~ E 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1500'

19. PROPOSED DEPTH: 6525'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5739' Gr (Ungraded)

22. APPROX. DATE WORK WILL START*
May 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8-5/8"	20#	250'	Cmt to surface
7-7/8"	4½"	10.5#	6525'	1050 sx (three stage)

Energy Reserves Group, Inc. proposes to drill the above referenced well with rotary tools from surface to T.D. proposed zone of completion is the Basin Dakota at 6,358'.

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FARMINGTON, N. M.

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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 [signature] TITLE Field Services Administrator DATE 4-21-80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED
JUN 5 1980
JAMES F. SIMS
DISTRICT ENGINEER

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

*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-107
Revised 10-1-78

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

Operator	Lease	Well No.
ENERGY RESERVES GROUP	E. H. PIPKIN	5-E

Unit Letter	Section	Township	Range	County
J	36	28N	11W	San Juan

Actual Footage Location of Well:
1520 feet from the South line and 1820 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5739	Dakota	Basin Dakota	320 ~~(160)~~ 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.

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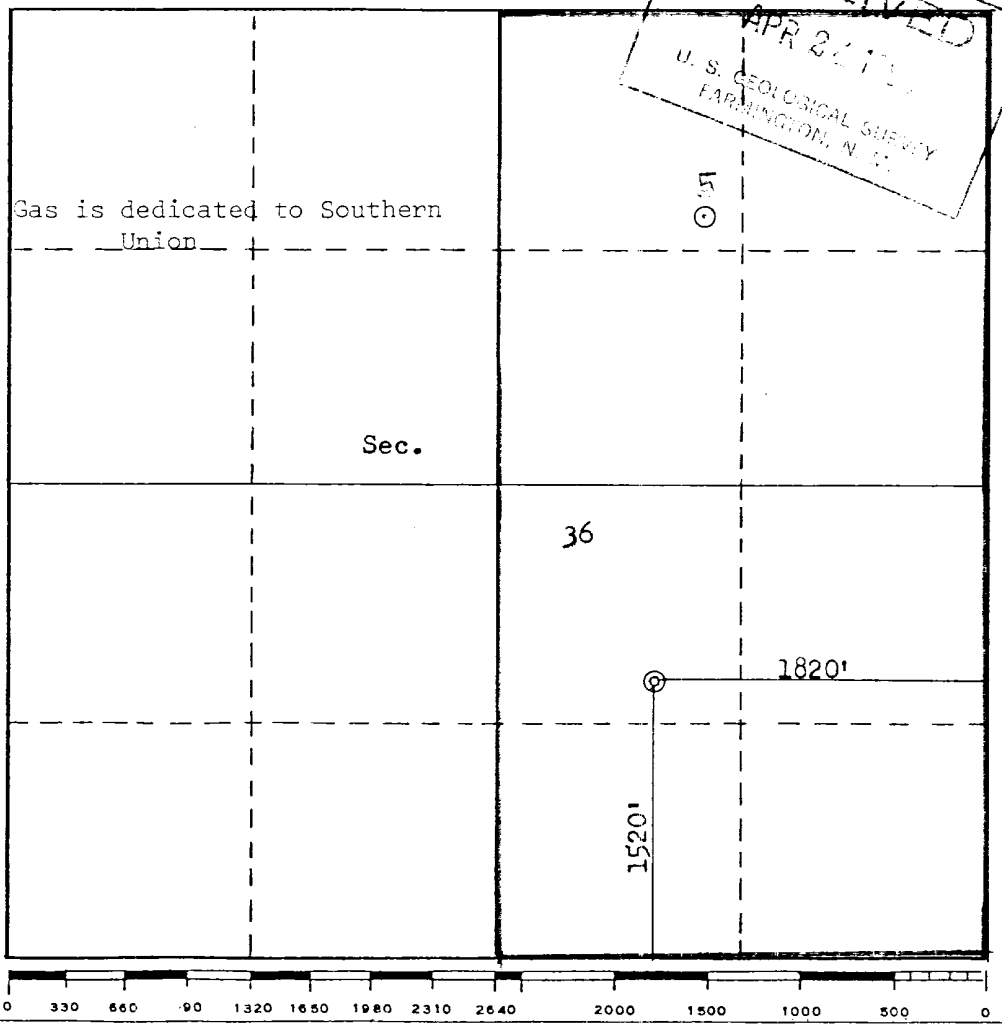
OIL CONSERVATION DIVISION
STATE OF NEW MEXICO



CERTIFICATION

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

Name: Field Services Administrator

Position: Energy Reserves Group, Inc.

Company: April 18, 1980

Date:

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: March 31, 1980

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

REGISTERED LAND SURVEYOR
N.M.
FRED B. KERR, JR.

Certificate No. 3950

Supplemental to Form 9-331C

1. The geologic name of the surface formation.

   Nacimiento

2. The estimated tops of important geologic markers.

Ojo Alamo	507'	Gallup	5104'
Kirtland	604'	Greenhorn	5922'
Pictured Cliffs	1567'	Dakota	6026'
Cliff House	3116'	T.D.	6225'
Pt. Lookout	3971'		
Mancos	4254'		

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

   Ojo Alamo @ 507' is expected to be water bearing.
   Kirtland @604' possible gas
   Pictured Cliffs @1567' possible gas
   Cliff House @ 3116' possible gas
   Pt. Lookout @ 3971' possible gas
   Gallup @ 5104' possible oil
   Dakota @ 6026 primary gas

   It is proposed to cement the long string in three stages with the upper most stage cementing off the Ojo Alamo Formation.

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, 20#, New, ST&C

   4½", K-55, 10.5#, New, ST&C

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 BOP 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 mud will be used for drilling operations. Adequate supplies will be on location to handle 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 will be

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

No coring is planned. No DST's are planned. Logs will consist of DIL, Density-Neutron, Gamma Ray. Fracing will consist of 100,000 gal gel water and 250,000# 20-40 sand.

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 problem in this area.

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

It is planned to commence operations as soon as regulatory approval is obtained. It is estimated that it will take 15-20 days to drill, log, complete and test this well.

MULTI-POINT SURFACE USE PLAN

1. EXISTING ROADS

A-E See attached map
F Existing roads in the area are presently maintained by Energy Reserves Group, Inc. and El Paso Natural Gas Company, and Southern Union Refinery Company. No improvements are necessary.

2. PLANNED ACCESS ROADS

See attached map. Approximately 50 .' of new access road will be required.
(1) Maximum width will be a 20' running surface.
(2) Maximum grade will be 10% or less
(3) No turn outs are planned
(4) Drainage will be installed as per BLM recommendations
(5) No major cuts or fills are necessary
(6) No surfacing is planned
(7) No gates, cattle guards, or fence cuts are necessary.

3. LOCATION OF EXISTING WELLS

See attached topo map
There are numerous producing wells in the area. The proposed wells are 160 acre offset to existing Energy Reserves Group, Inc. Basin Dakota Wells.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

(Existing)
A. See attached map
(1) Tank batteries are located @ each well site
(2) production facilities consisting of a separator and dehy unit are located at each well site.
(3) There are no oil gathering lines
(4) Gas is sold to Southern Union Refinery Company at the well head. Gathering lines shown belong to Southern Union.
(5) NA
(6) NA
All lines are buried

B. (Proposed)
(1,2) See attached plat - tank batteries will be installed at each site as shown.
(3) Standard oil field type construction methods will be used. No outside construction materials will be needed.
(4) All pits and rotating machinery will be fenced or guarded so as to protect any livestock or wildlife.

C. REHABILITATION

Those areas no longer needed after drilling and completion operations will be recontoured and reseeded as per BLM recommendations.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Water will be obtained from the Kutz Wash located nearby or the San Juan River near Bloomfield.
B. Water will be hauled by truck over existing roads
C. No water wells are planned

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials are necessary.

7. METHODS OF HANDLING WASTE DISPOSAL

(1,2,3,4,5) Cuttings, drilling fluids and produced water will be contained in the reserve pit. Any oil produced will be put into tanks. A portable toilet will be used during drilling and completion operations. Garbage and other waste material will be placed in a deep trash pit and buried.

7. METHODS OF HANDLING WASTE DISPOSAL

(6) Upon completion of operations the location will be policed up and all trash and garbage placed in the trash pit. The pit will then be covered to prevent scattering. The reserve pit will be fenced and allowed to dry. After drying it will be backfilled and recontoured to as near its original contour as possible.

8. ANCILLARY FACILITIES

No camps or air strips are planned

9. WELL SITE LAYOUT

See attached plat

10. PLANS FOR RESTORATION OF THE SURFACE

See 7. (6)

If drilling results in a dry hole or failure, the entire disturbed area including access road will be recontoured and reseeded as per BLM recommendations. The location rehabilitation will commence as soon as the pit has sufficiently dried to allow back-filling.

11. OTHER INFORMATION

The area is generally high desert type country. Erosion is excessive in the area due to lack of vegetative cover and erosive soils. Much erosion is evident along the Kutz Wash, especially along the west side. Vegetation is sparse, consisting of Juniper Trees, scrub sage, and assorted native grasses. Wildlife found in the area includes mule deer, coyotes, rabbits, and other small birds and rodents. The surface is public domain under the Administration of the Bureau of Land Management. Rabbit hunting and sight-seeing are the two possible surface use activities in the area. The N.A.P.I. Irrigation Canal runs through the general area. Kutz Wash is the closest natural stream. There are no occupied dwellings in the immediate vicinity. An Archaeological Inspection has been planned.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

The below listed personnel will be responsible for assuring compliance with the approved surface use plan.

Mr. T.C. Durham
P.O. Box 977
Farmington, NM 87401
Home: 505-325-7978
Office: 505-327-1639
Mobil: 505-325-1873 #539

Mr. Harland Gould
4804 Linda Lane
Farmington, NM 87401
Home: 505-325-2235
Office: 505-334-6200
Mobil: 505-325-0474

Mr. Bill Fiant
P.O. Box 3280
Casper, Wyoming 82602
Home: 307-265-2529
Office: 307-265-7331

13. CERTIFICATION

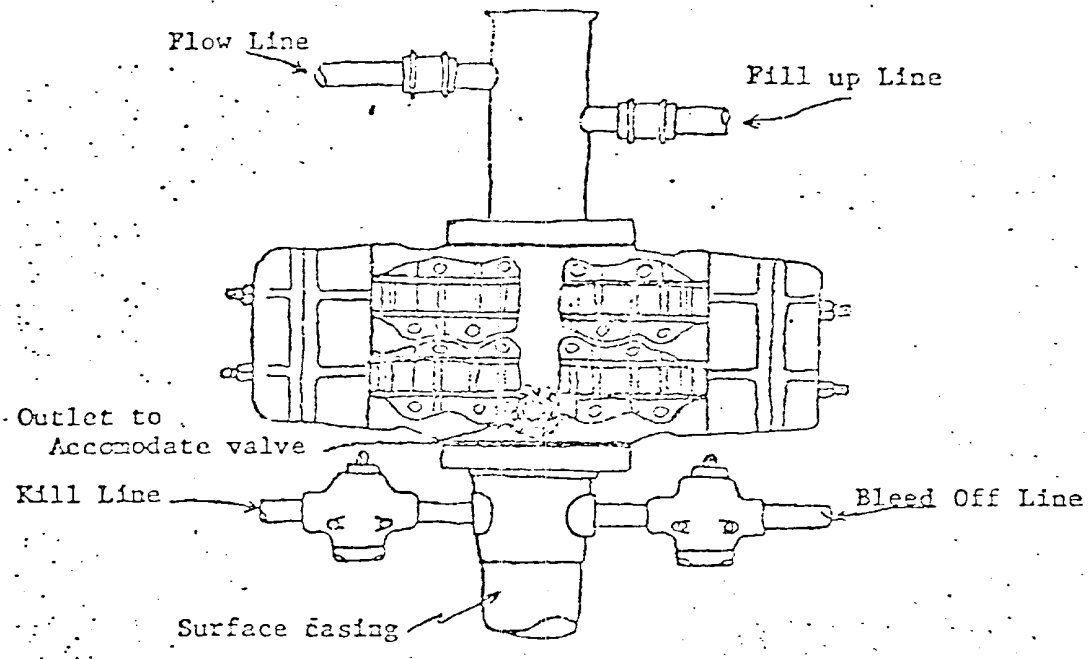
See attached

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.

April 15, 1980
Date

Name and Title
Field Services Adm.



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.

Well Name G. H. Pickens # F-E

Location SE 26 - 29 - 11 1520 S/L 1920 E/L

Formation Lance

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

U. S. Forest Service — Date

Archaeologist Dabney Ford — Date 4/16/80

Bureau of Indian Affairs Representative — Date

Bureau of Land Management Representative Bob Mark — Date 4/16/80

U. S. Geological Survey Representative - AGREES TO THE FOOTAGE LOCATION OF THIS WELL. A. Stump — Date 4/16/80

REASON:

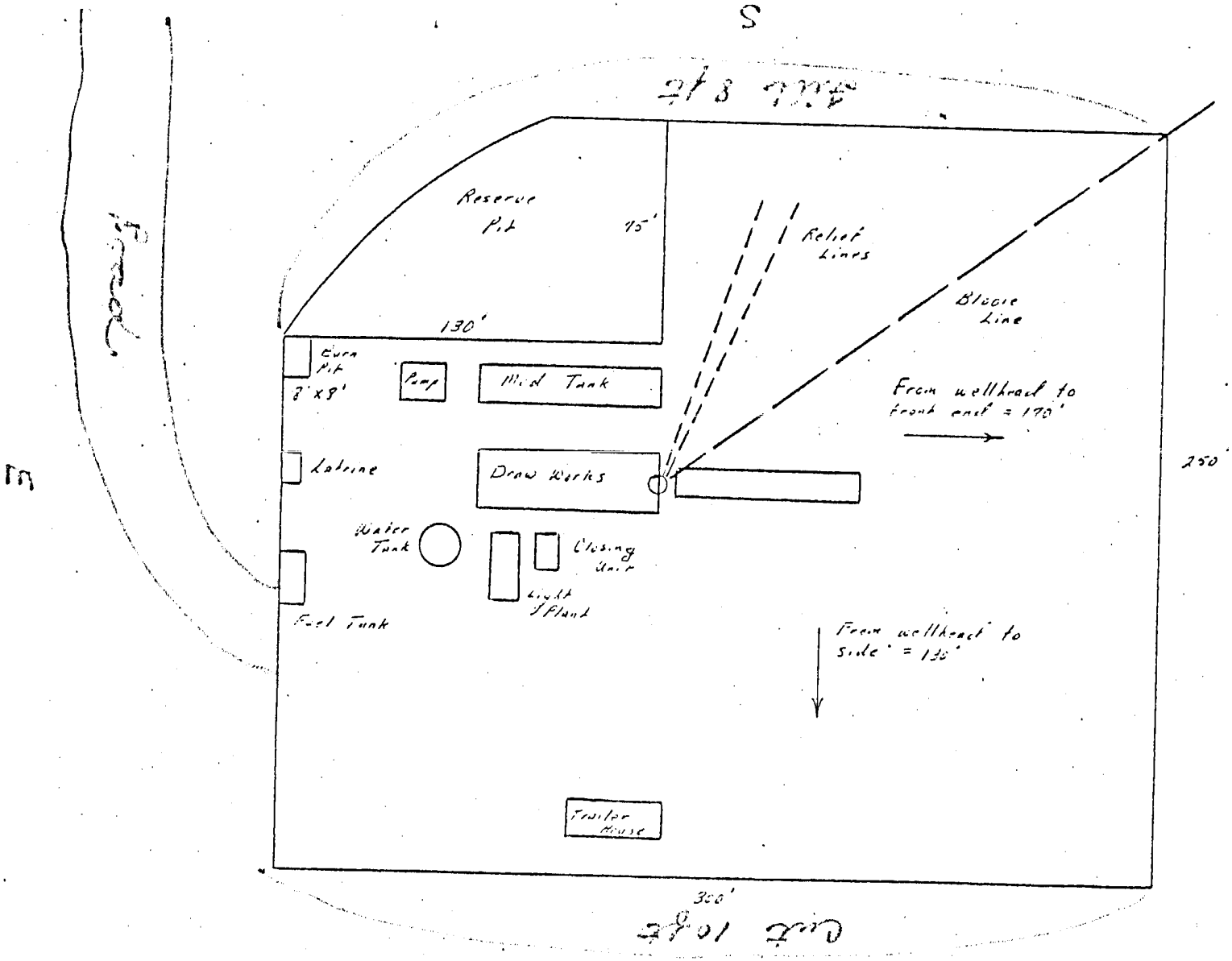
Seed Mixture: II

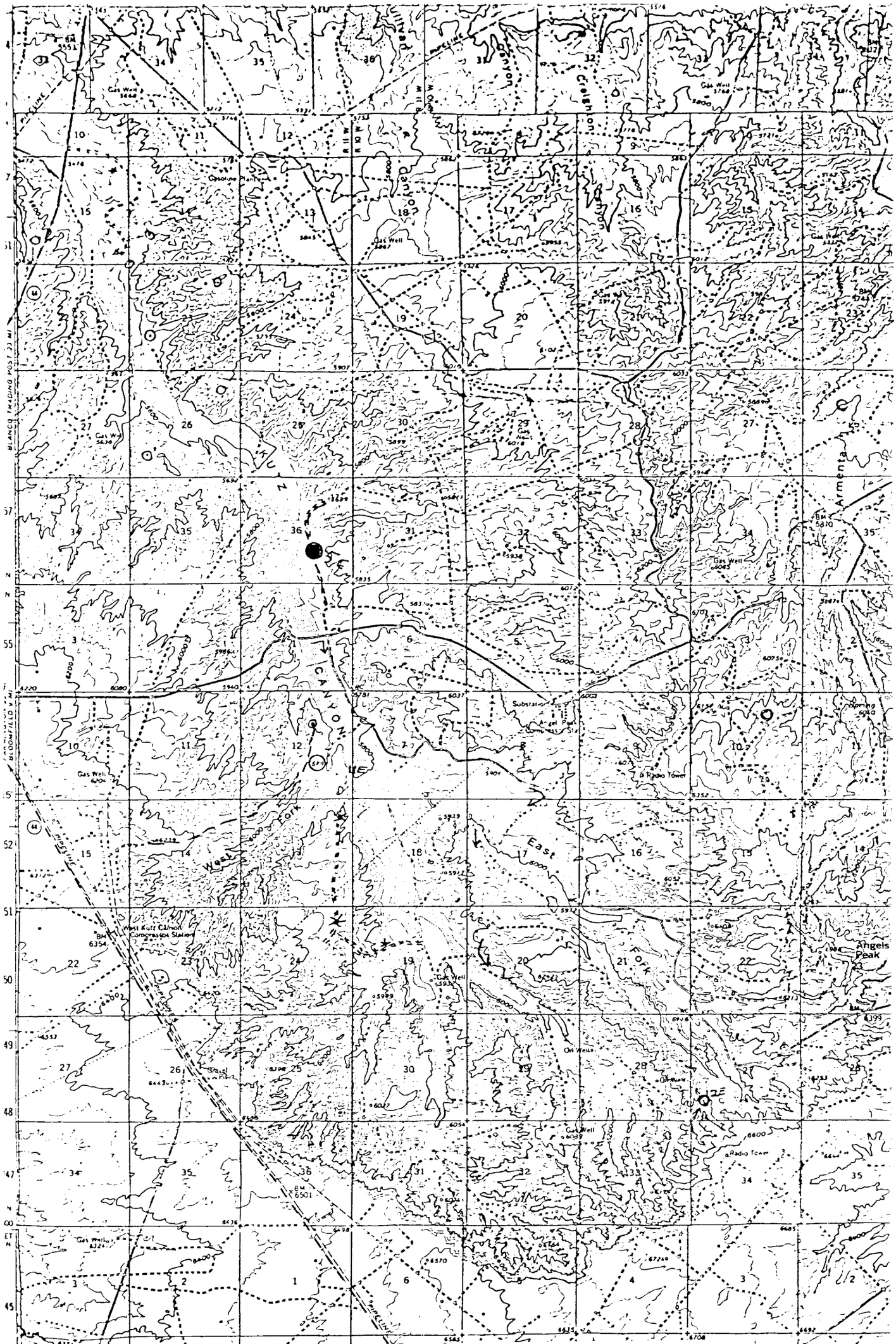
Equipment Color: Brown

Road and Row: (Same) or (Separate) ?

Remarks:

Typical Location Plat for Mesa Verde and Dakota Wells





Vicinity Map for
ENERGY RESERVES GROUP #5-E E. H. PIPKIN
1520'FSL 1820'FEL Sec. 36-T28N-R11W
SAN JUAN COUNTY, NEW MEXICO

Mapped, edited, and published by the Geological
Control by USGS and USC