Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-23605

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: PO Box 3280 Casper, Wyoming 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: M
At proposed prod. zone: 980' FSL & 920' FWL (SW/SW)

5. LEASE DESIGNATION AND SERIAL NO.: SF-078109

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: Gallegos Canyon Unit

8. FARM OR LEASE NAME:

9. WELL NO.: 285

10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~ Pictured Cliffs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 31, T29-R12W

12. COUNTY OR PARISH: San Juan

13. STATE: New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approx. 3½ miles south & 3 miles east of Farmington, New Mexico

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

16. NO. OF ACRES IN LEASE: Unitized

17. NO. OF ACRES ASSIGNED TO THIS WELL: ~~160~~ 158.66

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 2240'

19. PROPOSED DEPTH: 1625'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5522' Gr. (Ungraded)

22. APPROX. DATE WORK WILL START*: July- August 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 7/8"	7"	17#	100'	50sx. (cement to surface)
6 1/4"	4 1/2"	9.5#	1625'	100sx.

Energy Reserves Group, Inc-. prposes to drill the above well with rotary tools from surface to T.D. The anticipated zone fo completion is the Pictured Cliffs Formation @ 1380'=1450'. No cores or DST's are planned. Copies of all logs run will be furnished upon completion of the well.

gas is dedicated

RECEIVED
JUN 7 1979
OIL CON. COM.
DIST. 3

RECEIVED
JUN 6 - 1979
OIL CONSERVATION DIVISION
SANTA FE

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 _____ TITLE Field Services Admn. DATE 5-29-79

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ok Brad

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator		Lease		Well No.
Energy Reserves Group, Inc.		GALLEGOS CANYON UNIT X (SF-078109)		285

Unit Letter	Section	Township	Range	County
M	31	29 North	12 West	San Juan

Actual Footage Location of Well: 980 feet from the South line and 920 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5522	Pictured Cliffs	West Kutz X Pictured Cliffs	X ~~160~~ 158.66 Acres

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

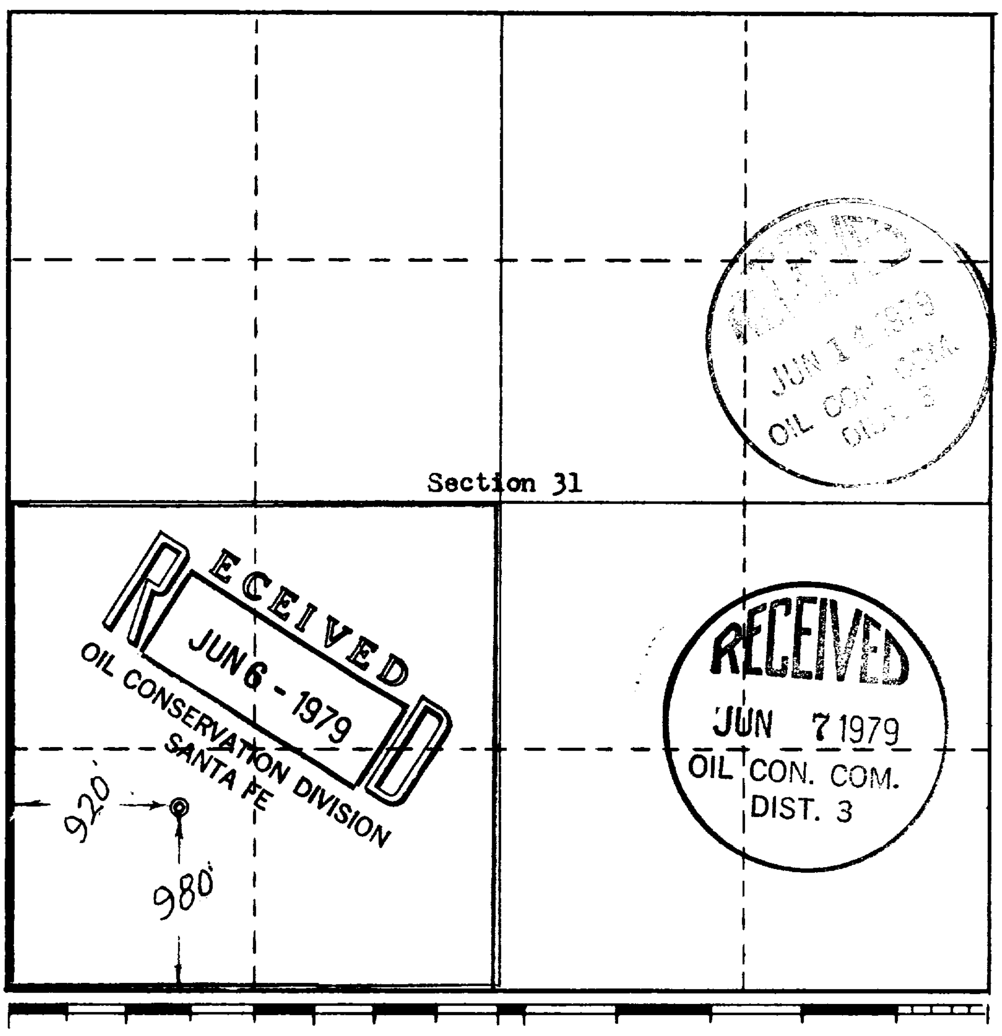
X 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 X [signature]

Position X Field Services Adm.

Company X Energy Reserves Group

Date X 6-12-79

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 May 16, 1979

Registered Professional Engineer and/or Land Surveyor

L. POTEET REGISTERED STATE OF NEW MEXICO 3634

Certificate No. 3634

1. The geologic name of the surface formation.

   Nacimiento

2. The estimated tops of important geologic markers.

Fruitland	765'
Coal Marker	1330'
Pictured Cliffs "A"	1380'
Pictured Cliffs "B"	1450'
T.D.	1625'

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

   Fruitland - gas
   Coal Marker - water
   Pictured Cliffs - gas

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

   7" k-55 17# used

   4½" k-55 9.5# used

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" or 7" series 900 or 600 dual ram hydraulic preventor will be used. The BOP will be pressure tested to 400 psi after installation and prior to drilling out from under surface casing.

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 chemical mud gel will be used for drilling. Sufficient mud materials will be on hand to control minor lost circulation.

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.

   Auxiliary equipment will consist of: a sub on the floor with a full opening valve w/drill pipe thread.

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

No DST's are planned. Logging will consist of DIL, Gamma Ray, Density-Neutron. Nitrogen-Water (foam) fracing consisting of approx. 20,000 gal. of 70% quality foam w/25,000# 10-20 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.

An abnormal pressure high volume gas zone might be encountered between 1000' and 1500'. (Fruitland Interval)

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

It is planned to commence operations as soon as regulatory approval has been received. It is estimated that the drilling & completion operations can be completed in 10-12 days.

1. EXISTING ROADS

A. See attached topo map
B. Approximately 3½ miles south & 3 miles East of Farmington, New Mexico
C. See attached topo map
D. This is a development well
E. See attached topo map
F. There is an existing road adjacent to the location. This road will require some minor improvements to allow for rig traffic. Maintanence will be performed by Energy Reserves Group, Inc. and Amoco as needed.

2. PLANNED ACCESS ROADS

Approximately ¼ mile new access road will be required. Maximum grade will be less than 8%. No turn outs are necessary. Culverts will be installed as per BLM recommendations. No gates, fence cuts, or cattleguards will be required.

3. LOCATION OF EXISTING WELLS

See attached map

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. Energy Reserves Group, Inc. operates the Pictured Cliffs (gas) Wells within the Gallegos Canyon Unit. Gas gathering lines are owned by El Paso Natural Gas Company and are installed and operated under rights of way terms. All production facilities are located on the individual well site.

B. Any new facilities required will be limited to the well site. If a pit is required it will be fenced to protect the livestock and wildlife.

C. Any disturbed areas no longer needed after drilling and completion operations will be recontoured and rehabilitated as per BLM recommendations.

5. LOCATION AND TYPE OF WATER SUPPLY

Water used for drilling will be hauled by truck from Energy Reserves Group, Inc. disposal site located in the Gallegos Canyon Unit.

6. SOURCE OF CONSTRUCTION MATERIALS

None needed

7. METHODS FOR HANDLING WASTE DISPOSAL

The Reserve pit will be of adequate size to contain cuttings and drilling fluids. Any produced hydro carbons will be stored in tanks, produced water if any will be disposed of as per NTL-2B requirements. Garbage and other waste material will be burned or buried in a small trash pit. Upon completion of operations the entire area will be policed up and the reserves pit fenced. Any oil on the pit will be removed. The trash pit will be buried to prevent scattering of any additional trash.

8. ANCILLARY FACILITIES

None required

9. WELL SITE LAYOUT

1,2,&3 (see attached)
4 It is not planned to line any pit

10. PLANS FOR RESTORATION OF SURFACE

Upon completion of operations the pit will be fenced and allowed to dry before covering. The entire area will be policed up and all trash buried or burned. Any area not needed for further operations will be recontoured and reseeded as per BLM recommendations.

11. OTHER INFORMATION

The area is generally high desert type country with high erosion potential. Most areas are ddeply eroded with gullies and washes. Vegetation consists of pinion and juniper trees with sage and other small scrub bushes, cactus, and assorted native grasses. Surface ownership is Public Lands under Administration of the Bureau of Land Management. There are no continuously flowing streams in the area. The San Juan River is the nearest water. There are no occupied dwellings within one mile of the well site. An archaeological inspection has been scheduled with the San Juan Museum.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

Bill Fiant and/or T.C. Durham will represent Energy Reserves Group, Inc. during the drilling and clean up operations in connection with this well.

Bill Fiant P.O. Box 3280 Casper, Wyoming 82602	307-265-7331 307-265-2529	Office Home
T.C. Durham 1205 Camino Largo Farmington, New Mexico 87401	505-325-7978 505-327-1639 505-325-1873 (unit #539)	Home Office Mobil

13. CERTIFICATION

See attached

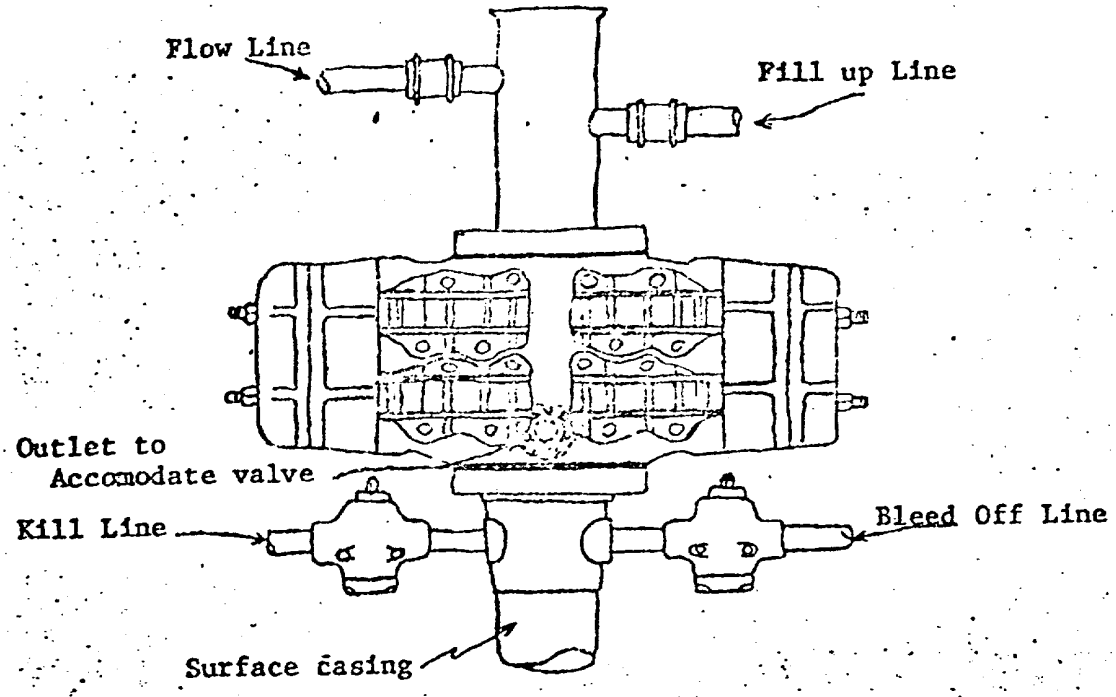
CERTIFICATION

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 Diggs Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5-25-79
Date

William J. Yeas
Name and Title

Field Services Administrator



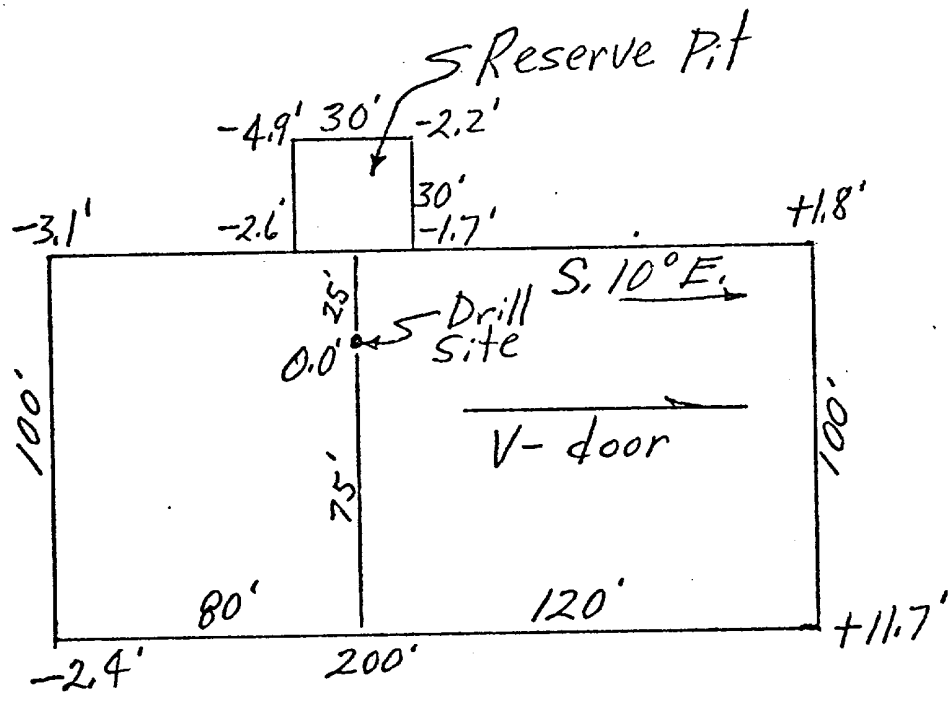
Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

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.

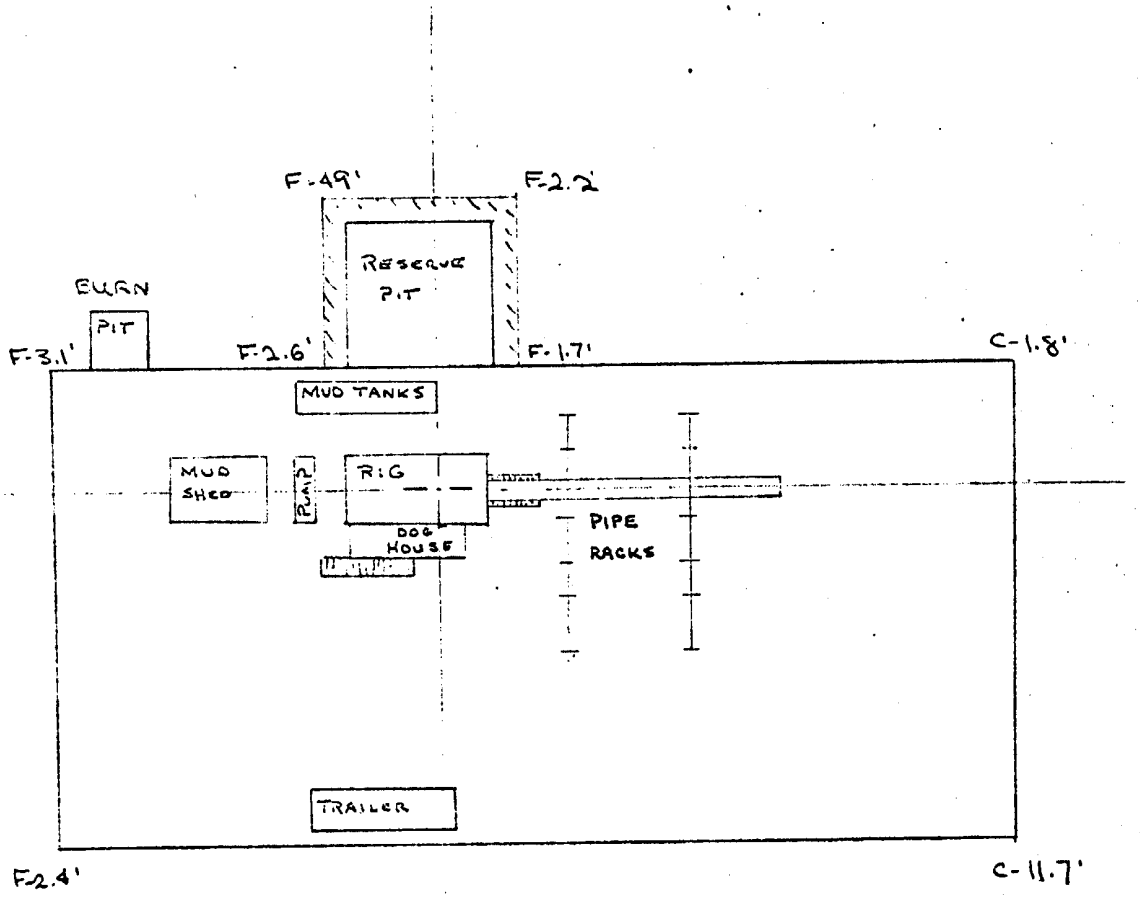
Energy Reserves Group, Inc.
GCU-PC # 285
980' FS & 920' FW SEC 31-29N-12W
San Juan County, New Mexico

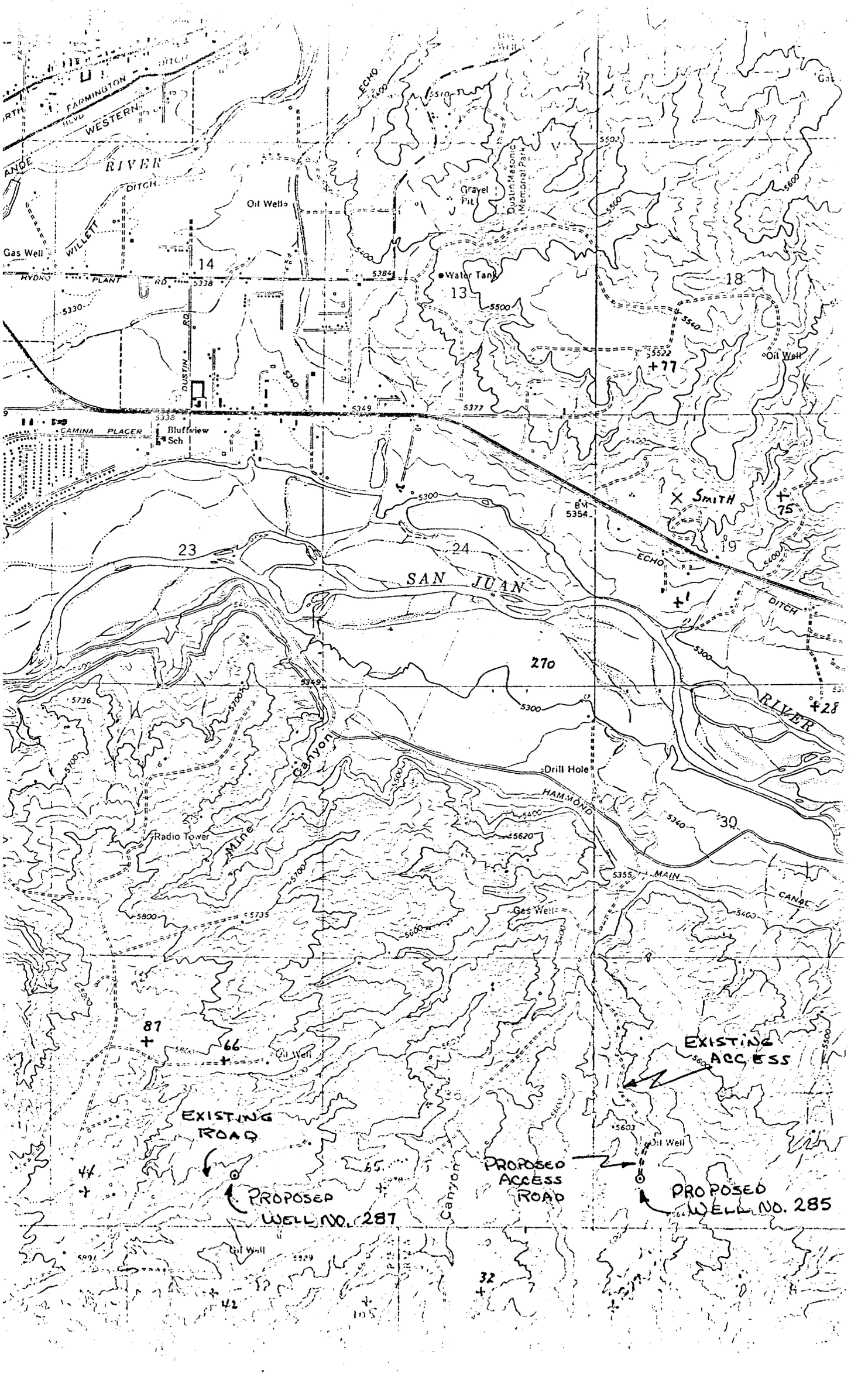


E. L. POTEET
REGISTERED
PROFESSIONAL ENGINEER & LAND SURVEYOR
3084
STATE OF NEW MEXICO

May 18, 1979

GALLEGOS CANYON UNIT
WELL NO. 285
980' FSL & 920' FWL
SEC. 31, T29N-R12W




FARMINGTON
WESTERN
DITCH
RIVER
Oil Well
Gravel Pit
Dustin Masonic Memorial Park
Gas Well
WILLETT
14
HYDRO PLANT RD
Water Tank
13
18
DUSTIN RD
CAMINA PLACER
Bluffview Sch
X SMITH
BM 5354
19
23
24
SAN JUAN
ECHO
DITCH
270
RIVER
Drill Hole
Canyon
Mine
Radio Tower
HAMMOND
30
MAIN
CANAL
Gas Well
87
66
Oil Well
EXISTING ACCESS
EXISTING ROAD
PROPOSED WELL NO. 287
PROPOSED ACCESS ROAD
Oil Well
PROPOSED WELL NO. 285
Oil Well
65
32
42