

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-075-23606
5. LEASE DESIGNATION AND SERIAL NO.
SF-078905

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒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

At proposed prod. zone 1000' FSL & 1720' FEL (SW/SE)

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

Approx. 3½ miles south & 1½ 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)

NA

16. NO. OF ACRES IN LEASE

Unitized

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2600'

19. PROPOSED DEPTH

1800'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

5811' Gr. (Ungraded)

22. APPROX. DATE WORK WILL START*

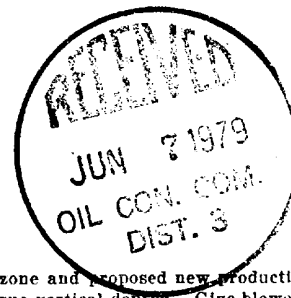
July-August, 1979

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"	4½"	9.5#	1800'	100sx.

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 Pictured Cliffs Formation @ 1600'-1650'. No cores or DST's are planned. Copies of all logs run will be furnished upon completion of the well.

*James Belmont*

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 J. Ford

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 Smith

*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.

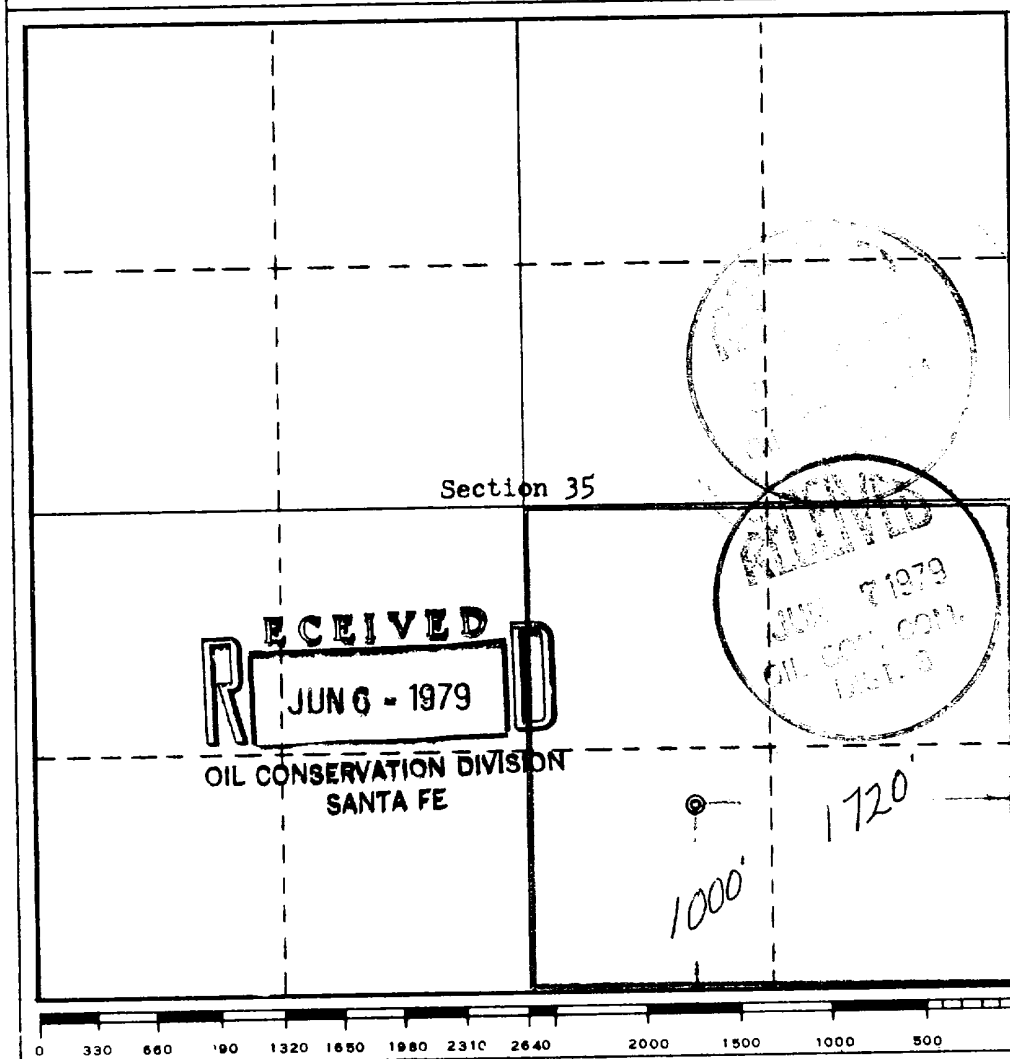
Operator Energy Reserves Group, Inc.			Lease Gallegos Canyon Unit X (SF-078905)		Well No. 287
Unit Letter 0	Section 35	Township 29 North	Range 13 West	County San Juan	
Actual Footage Location of Well: 1000 feet from the South line and 1720 feet from the East line					
Ground Level Elev. 5811	Producing Formation Pictured Cliffs	Pool X Pictured Cliffs		Dedicated Acreage: X 160 Acres	

- ☒ 1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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
X William J. [Signature]
Position
X Field Services Admin
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 Land Surveyor
X [Signature]
Certificate No.
3004

1. The geologic name of the surface formation.
Nacimiento

2. The estimated tops of important geologic markers.

Fruitland	1000'
Coal Marker	1550'
Pictured Cliffs "A"	1600'
Pictured Cliffs "B"	1650'
T.D.	1800'

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

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 & 1½ 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. Maintenance will be performed by Energy Reserves Group, Inc. and Amoco as needed.

2. PLANNED ACCESS ROADS

No new access roads 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 with in 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 with 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

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 Office
307-265-2529 Home

T.C. Durham
1205 Camino Largo
Farmington, New Mexico 87401

505-325-7978 Home
505-327-1639 Office
505-325-1873 Mobil
(Unit # 539)

13. CERTIFICATION

See attached

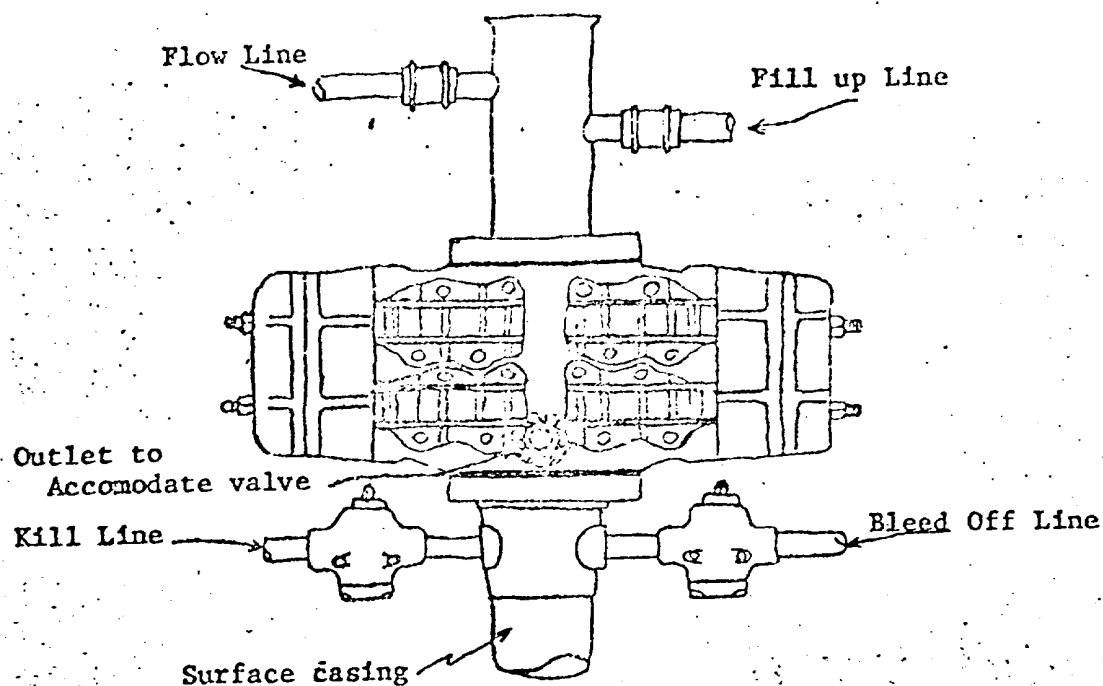
CERTIFICATION

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 _____

Digg 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. Jones
Name and Title
Field Services Administrator



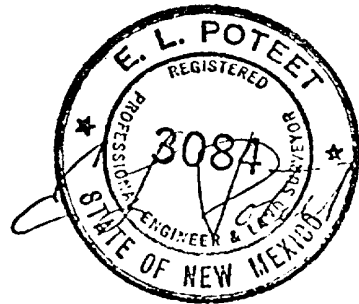
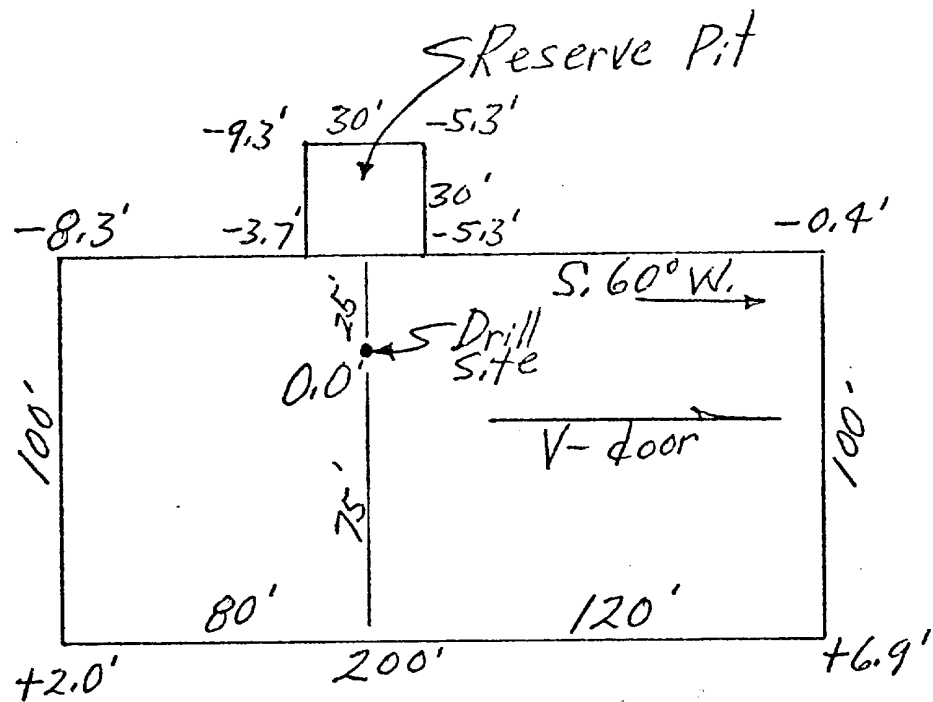
Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

Blowout preventer closing unit is Kookey 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 # 287
1000' FS & 1720' FE SEC 35-29N-13W
San Juan County, New Mexico



May 18, 1979

GALLEGO CANYON UNIT

WELL NO. 287

1000' FSL + 1720' FEL

Sec. 35, T29N-R13W

