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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease  
STATE  FEDERAL

5. State Oil & Gas Lease No.

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  
P. O. Box 3280; Casper, WY 82602

4. Location of Well  
UNIT LETTER E LOCATED 1,370 FEET FROM THE North LINE  
AND 475' FEET FROM THE West LINE OF SEC. 24 TWP. 29N RGE. 13W

7. Unit Agreement Name  
Gallegos Canyon Unit

8. Form of Lease Name  
E. Form of Lease Name

9. Well No.  
340

10. Field and Pool, or Wildcat  
West Kutz, Pictured Cliff

12. County  
San Juan

13. Proposed Depth  
1,835'

19A. Formation  
Pictured Cliffs

20. Rotary or C.T.  
Rotary

21. Elevations (Show whether DI, KI, etc.)  
5335' GR

21A. Kind & Status Plug. Bond  
Blanket

21B. Drilling Contractor  
James

22. Approx. Date Work will start  
October 1, 1984

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	20#	120'	Cement to surface	
6-1/4"	4-1/2"	9.5#	1285'	Cement to surface	

It is proposed to drill the above referenced well with rotary tools from the surface to T.D.. Anticipated zone of completion is the Pictured Cliffs formation.

Estimated Tops: Valley Fill - surface  
Kirtland - 5'  
Fruitland - 905' gas  
Pictured Cliffs - 1,187' gas  
T.D. - 1,285'

**RECEIVED**

SEP 26 1984

OIL CON. DIV.  
DIST. 3

APPROVAL EXPIRES 4-16-85  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed [Signature] Title Administrator, Field Services Date September 20, 1984

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE OCT 16 1984

CONDITIONS OF APPROVAL, IF ANY:

NSL 1902

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

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

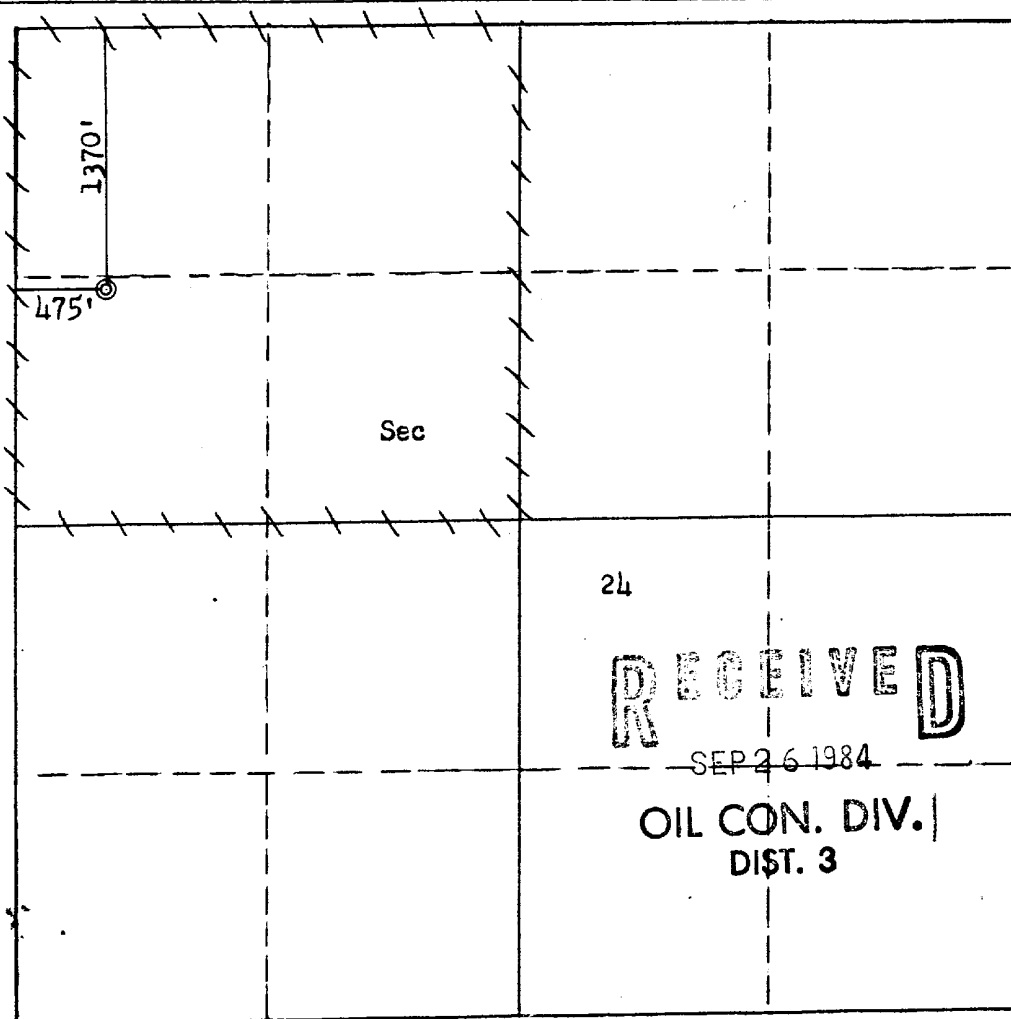
Operator <b>ENERGY RESERVES GROUP</b>			Lease <b>GALLEGOS CANYON UNIT</b>		Well No. <b>340</b>
Unit Letter <b>E</b>	Section <b>24</b>	Township <b>29N</b>	Range <b>13W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1370</b> feet from the <b>North</b> line and <b>475</b> feet from the <b>West</b> line					
Ground Level Elev: <b>5335</b>	Producing Formation <b>Pictured Cliffs</b>		Pool <b>West Kutz Pictured Cliffs</b>	Dedicated Acreage: <b>160</b> 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 Unitization

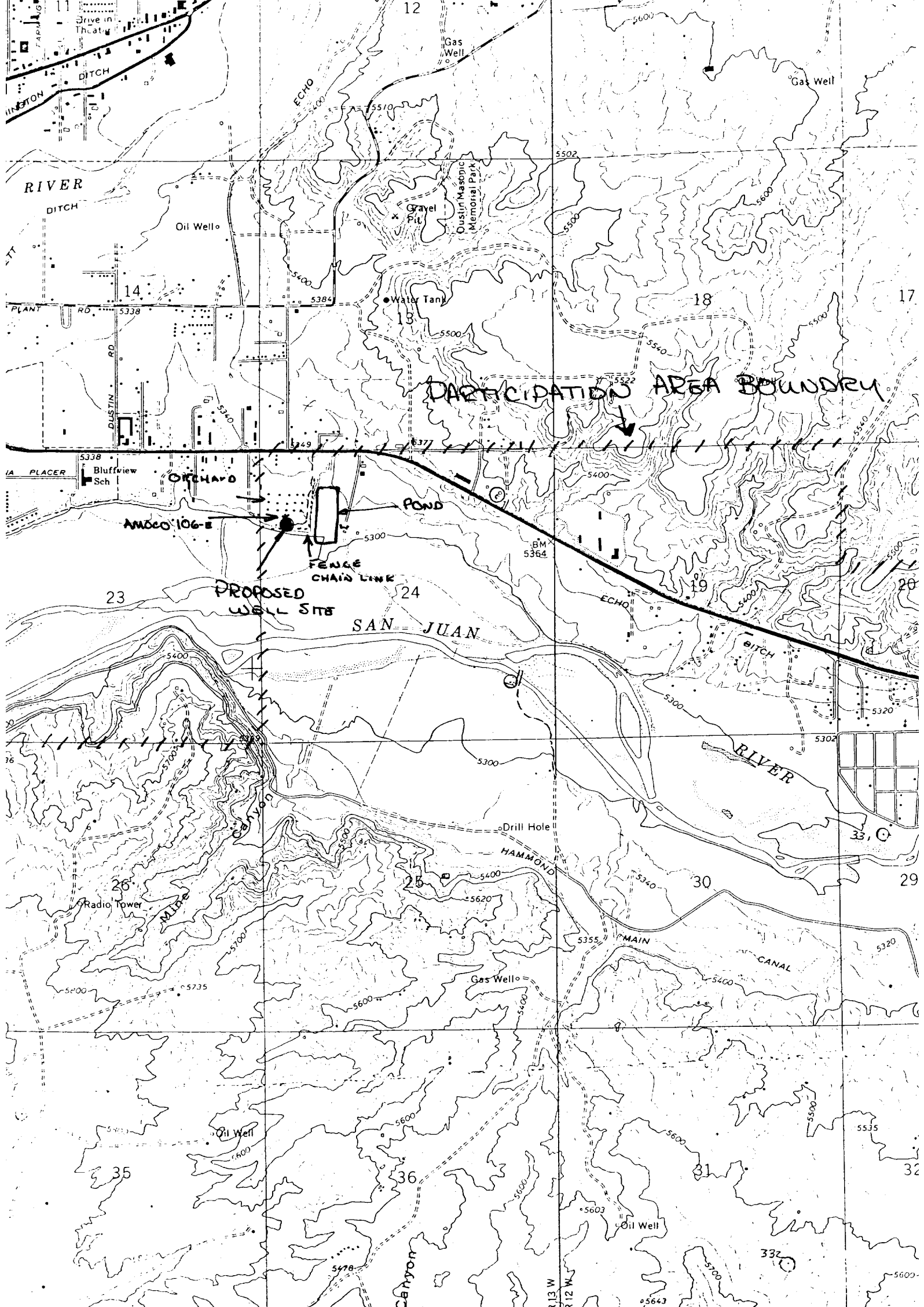
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

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.



Scale: 1"=1000'

CERTIFICATION	
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
Name	<i>William J. Fiant</i>
Position	Administrator, Field Services
Company	Energy Reserves Group, Inc.
Date	September 20, 1984
<i>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.</i>	
Date Surveyed	September 12, 1984
Registered Professional Engineer and Land Surveyor	<i>Fred E. Kerr Jr.</i>
Certificate No.	3950



PARTICIPATION AREA BOUNDARY

AMOCO 106-B

PROPOSED WELL SITS

FENCE CHAIN LINE

POND

SAN JUAN RIVER

RIVER

Drill Hole

HAMMOND CANAL

MAIN CANAL

CANAL

Gas Well

Oil Well

Oil Well

Oil Well

Vicinity Map for  
 ENERGY RESERVES GROUP #340 GALLEGOS CANYON UNIT  
 1370'FNL 475'FWL Sec. 24-T29N-R13W  
 SAN JUAN COUNTY, NEW MEXICO