

*Release Immediately
No attch*

*B4
DEC*

Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602-3280
307 265 7331



August 26, 1985

State of New Mexico
Oil Conservation Division
Box 2088
Santa Fe, NM 87501

*NSC-2142
RULE-104F(E)*

RE: Request for Approval of Unorthodox Well Location,
San Juan County, New Mexico

*Gallegos Gallup Pool
& Acreage
w/2 SE14*

Gentlemen:

Please consider this letter as a request for approval of the below
referenced unorthodox well location:

O. H. Randel #11
1650' FSL & 1980' FEL
Sec. 10-T26N-R11W

This well was originally permitted as a 40-acre well to be drilled
to the Gallup formation. After the permit had been approved, we
submitted a 80-acre dedication with the same footage. The well
was then drilled without realizing that the Gallup formation in
this area was covered under separate spacing regulations (Gallegos
Gallup), allowing a different window. The state office in Aztec
notified us of the discrepancy and indicated the need to file this
request.

This well is immediately adjacent to our #2-E well and, in fact,
shares the same well pad. The well could have been moved the 130'
prior to drilling had we been aware of the special spacing regula-
tion. We realize that this situation is our mistake, however, we
would appreciate your consideration of the circumstances. Attached
is a plat showing ownership of affected leases. BHP Randel lease
covers all of Sections 9, 10 and 15, T26N-R11W. ERG is the offsett-
ing operator of all offsetting proration units.

If there are any problems or questions, please call.

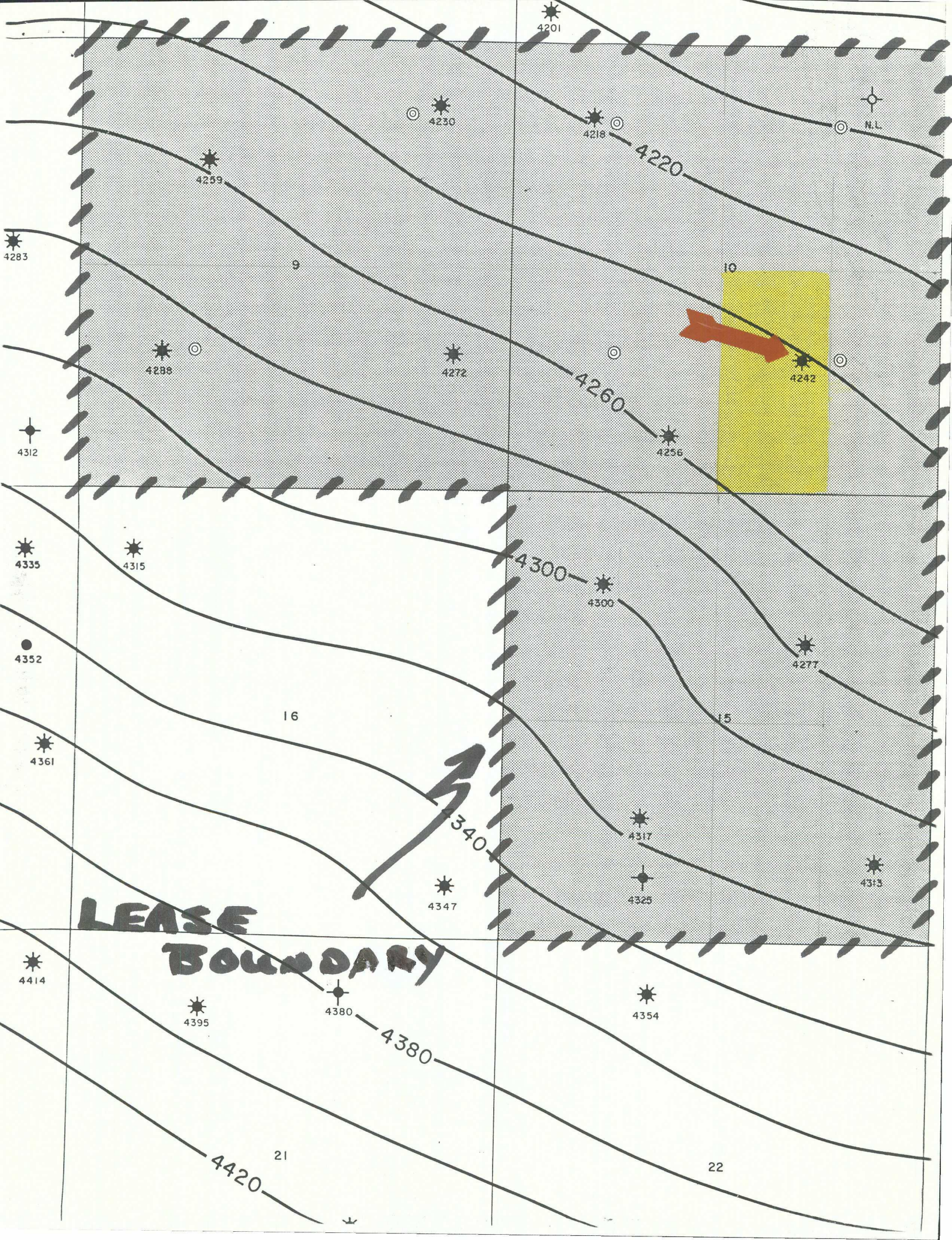
Very truly yours,
BHP PETROLEUM (AMERICAS), INC.

William J. Fiant
Administrator, Field Services

*Verbal okay
E.B. 9-5-85*

WJF/cb - Enclosures

cc: Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410



ENERGY RESERVES GROUP, INC.

<u>DEPTH</u>	<u>DEVIATION</u>
314	$1/4^{\circ}$
827	$1/4^{\circ}$
1359	$3/4^{\circ}$
1847	$3/4^{\circ}$
2375	$3/4^{\circ}$
2901	$1/4^{\circ}$
3128	$3/4^{\circ}$
3646	$1/2^{\circ}$
4390	$3/4^{\circ}$
4946	$3/4^{\circ}$
5700	1°

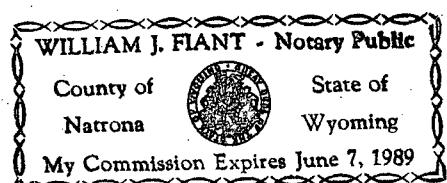
THIS IS TO CERTIFY that to the best of my knowledge the above tabulation details the deviation test taken in ENERGY RESERVES GROUP, INCORPORATED'S O. H. Randel No. 11 located 1650' FSL and 1980' FEL in Section 10 T26N-R11W of San Juan County, New Mexico

THE STATE OF WYOMING))
COUNTY OF NATRONA)) SS.

BEFORE ME, the undersigned authority, on this day personally appeared Paul C. Bertoglio known to me to be Petroleum Engineer for Energy Reserves Group, Inc. and to be the person whose name is subscribed to the above statement, who, being by me duly sworn on oath, states that he has knowledge of the facts stated herein and that said statement is true and correct.

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for said County and State
this 27th day of Aug, 1985.

My Commission Expires June 7 1985



TABULATION OF DEVIATION TESTS

ENERGY RESERVES GROUP, INC.

O. H. Randel #12

<u>DEPTH</u>	<u>DEVIATION</u>
314	1/4°
797	1/2°
1820	3/4°
2068	3/4°
2747	3/4°
3334	3/4°
3924	3/4°
4699	3/4°
5650	1°

A F F I D A V I T

THIS IS TO CERTIFY that to the best of my knowledge the above tabulation details the deviation test taken in ENERGY RESERVES GROUP, INCORPORATED'S O.H. Randel #12 located 1670' FNL and 1690' FEL in Section 15 T26N-R11W of San Juan County, New Mexico

Signed Paul C. Bertoglio
PETROLEUM ENGINEER

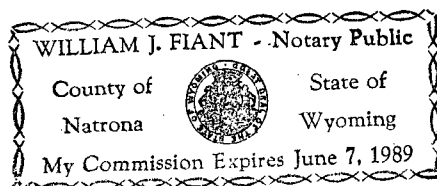
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COUNTY OF NATRONA) SS.

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SUBSCRIBED AND SWORN TO before me, a Notary Public in and for said County and State this 27th day of Aug., 1985.

William J. Fiant
Notary Public

My Commission Expires June 7, 1989





ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

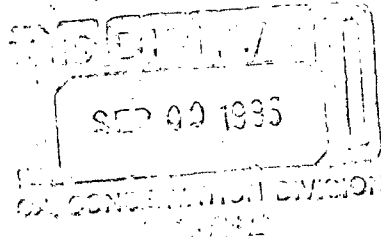
NSL - 2142

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 9-5-85

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated 8-25-85
for the Energy Reserves Corp. O.H. Randle #11 J-10-26A-11W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

E. Randle