

NSL-1240

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



July 14, 1980

State of New Mexico
Energy and Minerals Division
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

*NSL-1240
Rule 104 F
~~see also for foot~~
west Kutz Pictured
cliffs Pool and
Fruitland
formation
8-17-80*

RE: Unorthodox Location - Gallegos Canyon Unit Well No. 300.

Gentlemen:

Energy Reserves Group, Inc., requests approval of an unorthodox location on its well Gallegos Canyon Unit #300.

The site as proposed is located 2,015' FSL and 905' FEL Sec. 19-T29N-R12W. The purpose of this request is for topographic reasons. The location lies on top of a hill between two existing wells (ERG's GCU #306 on the West and Amoco's GCU #110 E on the East). Very little additional surface disturbance will be required. It also lies due North of the Bloomfield highway which would prohibit moving the location South. The land South of the highway in Section 19 is predominantly private. ERG would expect considerable difficulty and expense obtaining landowner approval to drill in this area.

Amoco Production Company is the operator of the Gallegos Canyon Unit with Energy Reserves Group, Inc., as the sub-operator of the Pictured Cliffs with negotiations underway to obtain Fruitland operating rights as well. See attached plat of the proposed well location.

Amoco Production Company has been notified by certified mail this date.

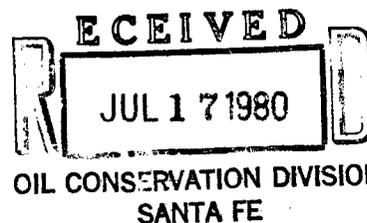
If any additional information is required please advise.

Very truly yours,

ENERGY RESERVES GROUP, INC.

William J. Fiant
Field Services Administrator
Rocky Mountain District

WJF/dm



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

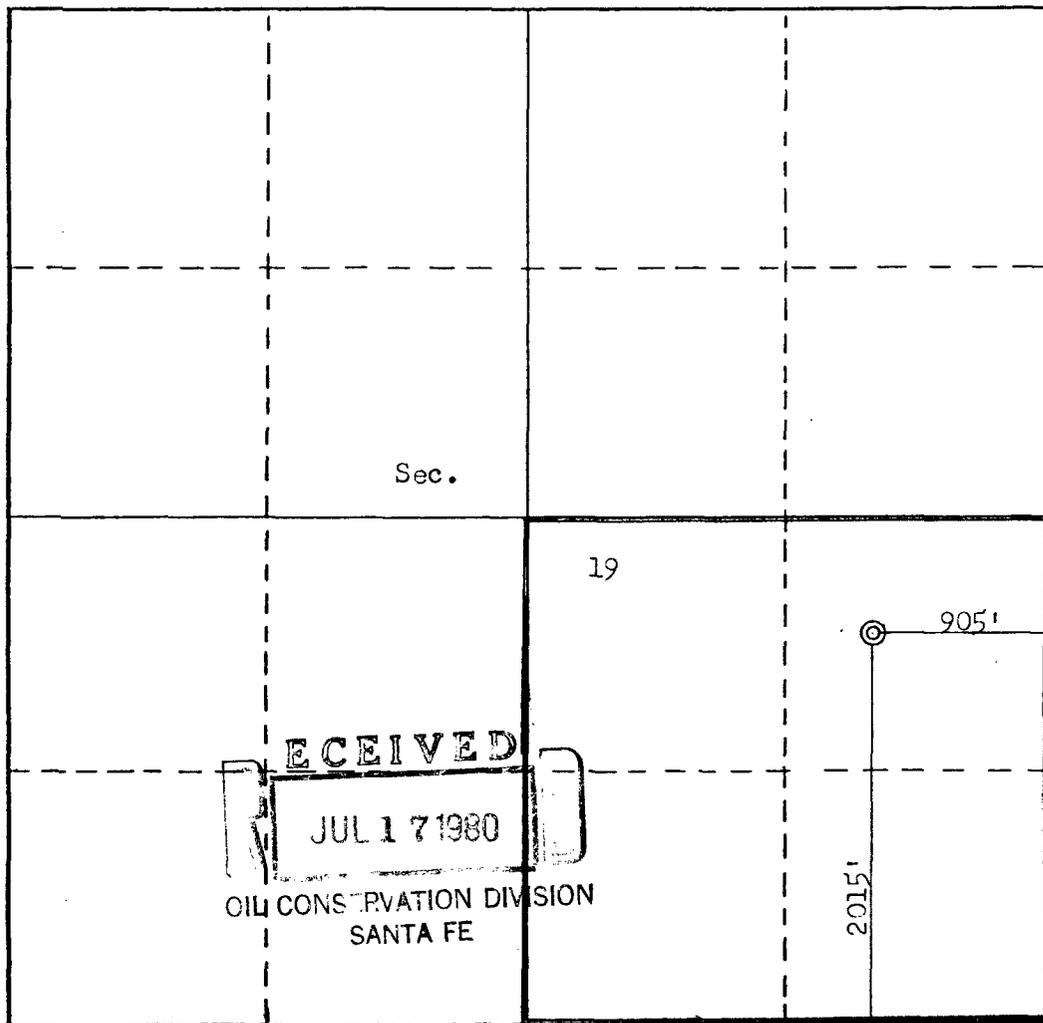
Operator ENERGY RESERVES GROUP INC.		Lease GALLEGOS CANYON UNIT			Well No. 300
Unit Letter I	Section 19	Township 29N	Range 12W	County San Juan	
Actual Footage Location of Well: 2015 feet from the South line and 905 feet from the East line					
Ground Level Elev. 5415	Producing Formation Pictured Cliffs		Pool West Kutz Pictured Cliffs	Dedicated Acreage: 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.



CERTIFICATION

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

Name
[Signature]
Position
Field Services Administ.
Company
Energy Reserves Group
Date
November 13, 1979

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
October 1979
Registered Professional Engineer and/or Land Surveyor
[Signature]
Fred B. Kerr Jr.
Certificate No.
3950



All distances must be from the outer boundaries of the Section

Operator ENERGY RESERVES GROUP			Lease GALLEGOS CANYON UNIT			Well No. 306		
Unit Letter I	Section 19	Township 29N	Range 12W	County San Juan				

Actual Footage Location of Well:
2015 feet from the **South** line and **830** feet from the **East** line

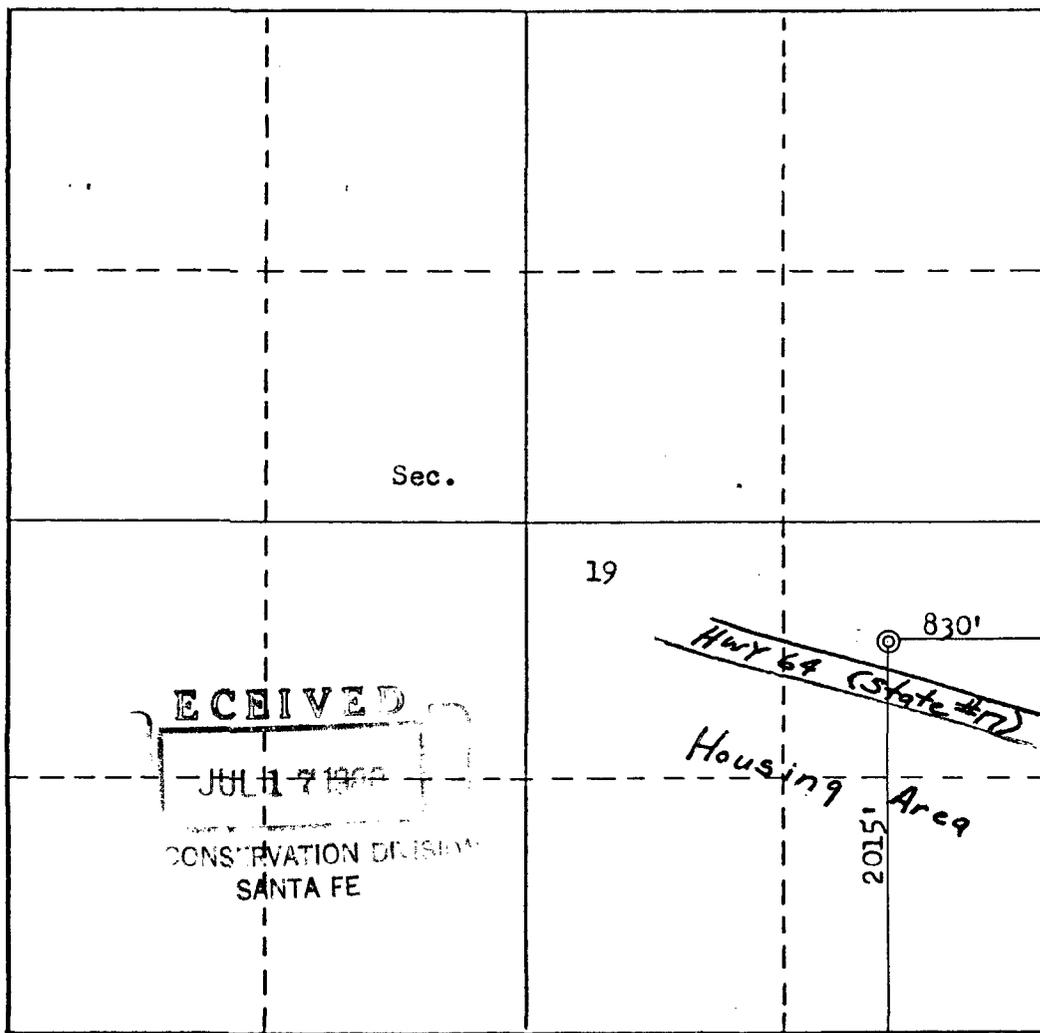
Ground Level Elev. 5415	Producing Formation Fruitland(Gas) Mesa Verde	Pool (Disposal)	Dedicated Acreage: 160 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease 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.



CERTIFICATION

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

Name
Curt Mac Intyre

Position
Production Engineer

Company
Energy Reserves Group

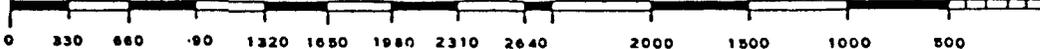
Date
March 11, 1980

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 4, 1980

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

Certificate No. **3950**



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

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OIL CONSERVATION DIVISION
SANTA FE

Energy Reserves Group

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July 14, 1980

Amoco Production Company
Security Life Building
Denver, Colorado 80202
Attn: T.M. Curtis

Amoco Production Company
501 Airport Road
Farmington, New Mexico 87401
Attn: L.O. Speer

RE: Offset Operations Notification - Unorthodox Well Location

Gentlemen:

Energy Reserves Group, Inc., as sub-operator of the Gallegos Canyon Unit Pictured Cliffs Participating Area proposes to produce at an unorthodox location with well Gallegos Canyon Unit #300.

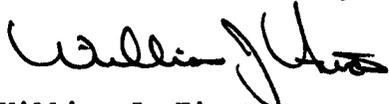
The proposed well site is located 2,015' FSL & 905' FEL Section 19-T29N-R12W. The purpose of requesting an unorthodox location is because of topographical reasons. Existing surface disturbance adjacent to the well and the Bloomfield highway to the South are the reasons for the placement of the well.

If you have no objection to the producing of this well, we would appreciate you signing in the below listed space and forwarding this letter to the New Mexico Oil Conservation Division in Santa Fe.

If there are any questions, please call anytime.

Very truly yours,

ENERGY RESERVES GROUP, INC.


William J. Fiant
Field Services Administrator

Amoco Production Company has no objection to producing the well at the unorthodox location as proposed by Energy Reserves Group, Inc.

Signed 

WJF/dm