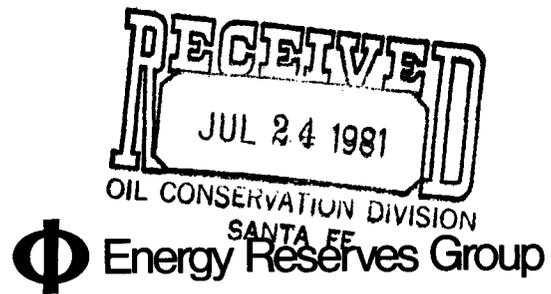


Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602
Phone 307 265 7331



July 21, 1981

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

Re: Application for Non-Standard Location
Gallegos Canyon Unit - Well No. 312
790' FNL and 2,480' FEL
Section 16-T28N-R12W
San Juan County, New Mexico

Gentlemen:

Energy Reserves Group, Inc., requests an amendment to the letter dated January 5, 1981 from William J. Fiant, Energy Reserves Group Field Services Administrator, to include both the Pictured Cliffs and Fruitland formations for Non-Standard Location. The subject well was dually completed in the Pictured Cliffs and Fruitland formations.

Energy Reserves Group is the operator of the Pictured Cliffs and Fruitland formations within the Gallegos Canyon Unit (see map for unit boundary). Energy Reserves Group is therefore the operator of all off-setting lease's within the unit boundary.

The well site was moved initially due to conflicts with the Gallegos Canyon Wash. This wash flows intermittently, and carries large volumes of run off when it does flow (see attached map).

We appreciate your consideration in review of this request.

Sincerely yours,
ENERGY RESERVES GROUP, INC.

Bobby Patrick

Bobby Patrick
Production Engineer
Rocky Mountain District

BP:er1

*Amend
NSL 1307
to include
Fruitland formation*



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 13, 1981

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Energy Reserves Group
P. O. Box 3280
Casper, Wyoming 82602

Attention: Mr. William J. Fiant

Administrative Order NSL-1307

Gentlemen:

Reference is made to your application for a non-standard location for your Gallegos Canyon Unit Well No. 312 to be located 790 feet from the North line and 2480 feet from the East line of Section 16, Township 28 North, Range 12 West, NMPM, West Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Farmington

OIL CONSERVATION COMMISSION
Alto DISTRICT

RECEIVED
OIL CONSERVATION COMMISSION
SANTA FE, N.M.
DATE

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 1-9-81

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

Gentlemen:

I have examined the application dated Dec. 22, 1980
for the Energy Resources Corp. DC-21#312 B-16-28N-12W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

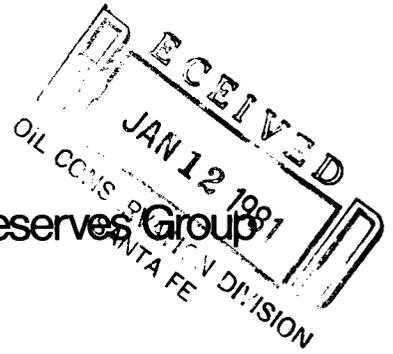
Approve

Yours very truly,

Frank S. Gray

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

 Energy Reserves Group



January 5, 1981

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

RE: Application for Non-Standard Location
Gallegos Canyon Unit- Well No. 312
Section 16, T28N-R12W
San Juan County, New Mexico

Gentlemen:

This letter is in response to your letter of January 2, 1981 concerning additional information.

Well No. 312 is a proposed Pictured Cliffs Formation well (160 acres). Energy Reserves Group, Inc. is the operator of the Pictured Cliffs Formation within the Gallegos Canyon Unit (see map for unit boundary). Energy Reserves Group is therefore the operator of all off setting lease's within the unit boundary. All unit working interest owners are notified prior to any proposed drilling action within the unit.

This proposed site is adjacent to the Gallegos Canyon Wash. This wash flows intermittently, but carries large volumes of run off when it does run. It was necessary to move the location to its present location due to the conflicts with this wash (see attached map).

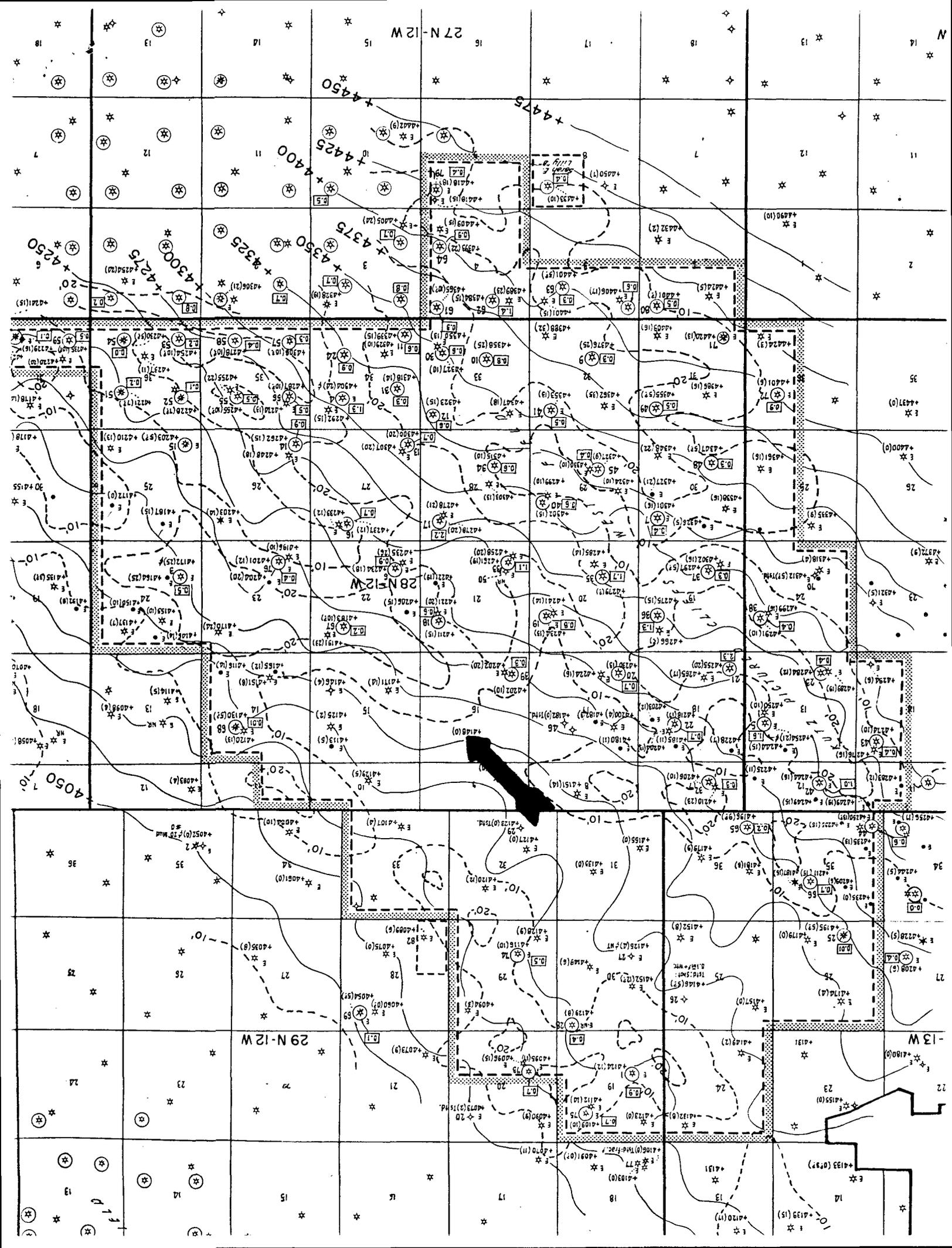
If any additional information is required, please call anytime.

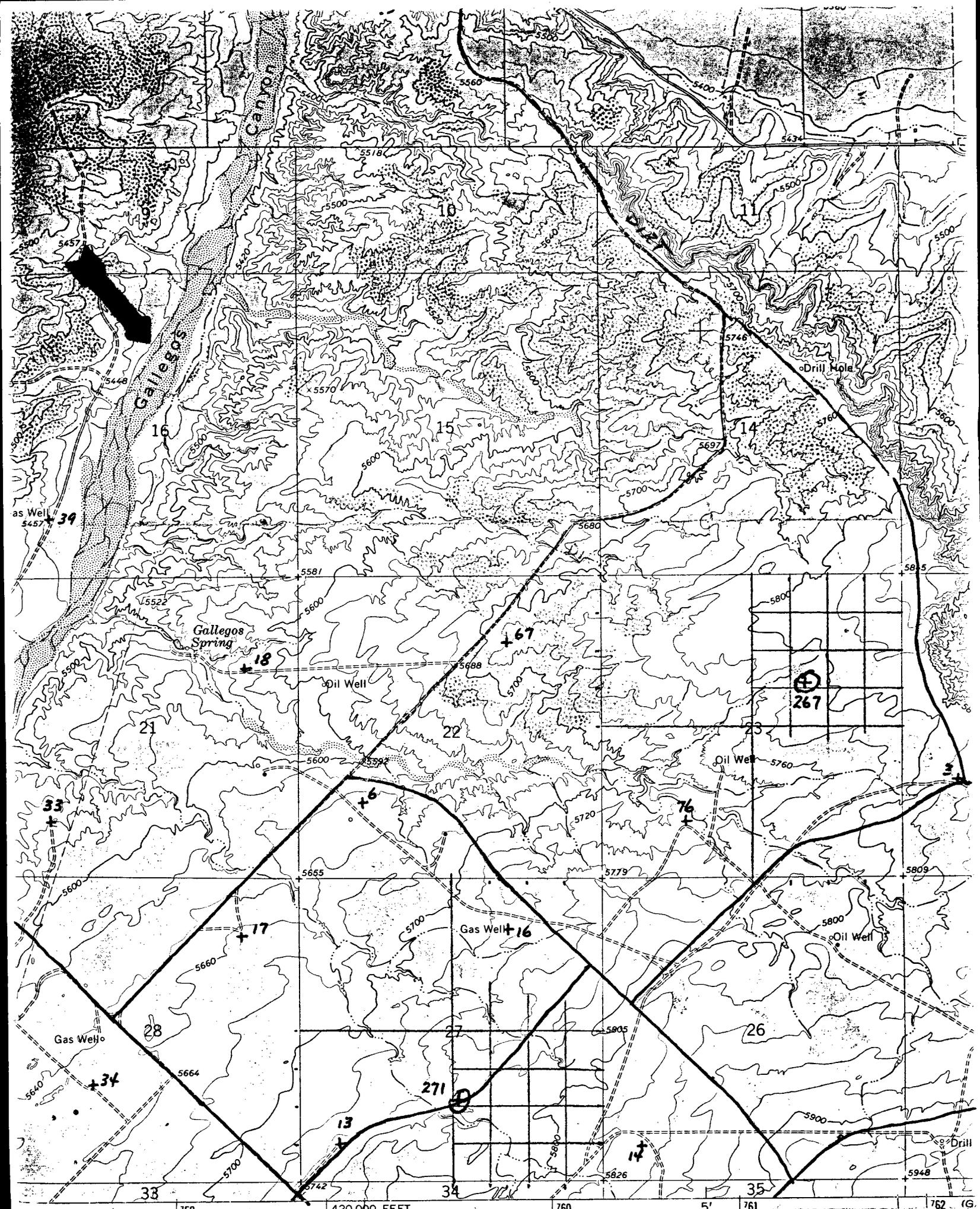
Very truly yours,

ENERGY RESERVES GROUP, INC.

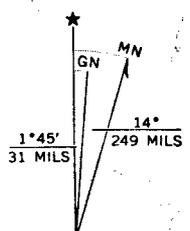
William J. Fiant
Field Services Administrator

WJF/dm

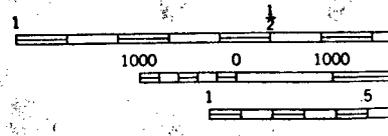




mapped, edited, and published by the Geological Survey
 control by USGS, USC&GS, and U. S. Bureau of Reclamation
 topography by photogrammetric methods from aerial
 photographs taken 1964 and by planetable surveys of the
 Bureau of Reclamation 1965. Field checked by USGS 1965
 conic projection. 1927 North American datum
 100-foot grid based on New Mexico coordinate system,
 one meter Universal Transverse Mercator grid ticks,
 shown in blue
 dashed lines indicate selected fence lines



UTM GRID AND 1965 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET



CON
 DOTTED LI
 D

THIS MAP COMPLETES
 FOR SALE BY U. S. GEOLOGICAL SURVEY
 A FOLDER DESCRIBING TOPOGRAPHY



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 2, 1981

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Energy Reserves Group
P. O. Box 3280
Casper, Wyoming 82602

Re: Application for Non-Standard
Location: Gallegos Canyon Unit
Well No. 312
Sec. 16, T-28-N, R-12-W

We may not process the subject application for non-standard location until the required information or plats checked below (is)(are) submitted.

A plat must be submitted clearly showing the ownership of the offsetting leases, if any.

A statement must be submitted that offset owners have been notified of the application by certified mail, if any.

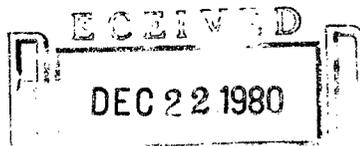
A plat must be submitted fully identifying the topography necessitating the non-standard location.

Other: Please advise as to the prospective formation(s) and the acreage to be dedicated to the well.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr



NSL-1307

OIL CONSERVATION DIVISION
SANTA FE

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



December 17, 1980

NSL-1307
Rule 104 F
No offsets Immediate

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

RE: Request for exception location,
Gallegos Canyon Unit, San Juan
County, New Mexico

West Kutz - Pictured Cliffs Gas Pool

Gentlemen:

Energy Reserves Group, Inc. respectfully requests an exception location on the below listed well location due to topographical conflicts.

Gallegos Canyon Unit Well No. 312
790' FNL & 2480' FEL
Section 16, T28N-R12W

NE/4 dedicated

It was necessary to move this well site to its present location due to conflicts with the Gallegos Wash. The location as originally staked, fell in the middle of the wash. This wash flows intermittently, however, it does not lend itself as suitable for any surface activity especially a drill site. The location was moved the minimum distance from the original stake to allow the proposed activity.

We appreciate your consideration in review of this request.

Very truly yours,

ENERGY RESERVES GROUP, INC.

William J. Fiant
Field Services Administrator

WJF/dm

