

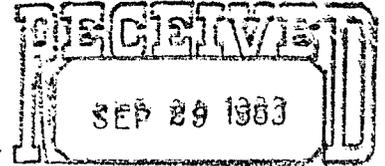
Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602-3280
307 265 7331

*NSL 1750
Gallup Oil
Rule 104 F*

 Energy Reserves Group

September 26, 1983

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



OIL CONSERVATION DIVISION
SANTA FE

*Approve
When approval
received from
AZ etc.
Based on phone
call we will
need a plat
and offset notice
A due date will
have to be set*

RE: Request for Unorthodox Well Location
E. H. Pipkin Lease
San Juan County, New Mexico

Gentlemen:

Energy Reserves Group, Inc., respectfully requests approval of the below unorthodox well location.

(Circled text)
E. H. Pipkin No. G-2
1035' FNL & 1950' FEL
Section 36 T28N-R11W
Federal Lease SF-078019

This well is a proposed Gallup well at a depth of 5850'. Energy Reserves Group, Inc. has 100% working interest in all formations on this lease. The lease boundry is shown on the attached vicinity map.

As shown by the vicinity map, the Kutz Wash runs through this lease. Topography all along this wash is eroded sandstone with numerous smaller washes and steep narrow gullies. Due to hill on the north and a wash to the south and east, this location was moved in order to minimize surface disturbance. We would appreciate your review of our request based on topographic conflicts.

Sincerely yours,
ENERGY RESERVES GROUP, INC.

Paul Bertoglio

Paul Bertoglio
Production Engineer
Rocky Mountain District

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

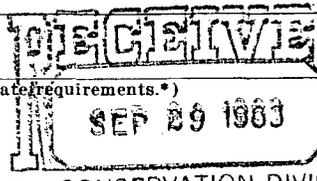
1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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, Wyoming 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
 At surface 1035' FNL & 1950 FEL
 At proposed prod. zone



5. LEASE DESIGNATION AND SERIAL NO.
 SF-078019
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 E. H. Pipkin
 9. WELL NO.
 G-2
 10. FIELD AND POOL, OR WILDCAT
 Unnamed Gallup
 11. SEC., T. R., M., OR BLK. AND SURVEY OR AREA
 Sec. 36 T28N-R11W
 12. COUNTY OR PARISH
 San Juan
 13. STATE
 New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6 miles south of Bloomfield New Mexico
 SANTA FE

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1035'
 (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 2560.96

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 504'

19. PROPOSED DEPTH
 5850'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 G.L. 5675' (Ungraded)

22. APPROX. DATE WORK WILL START*
 Winter 1983-84

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	300'	Cement to surface
8 5/8"	7"	29#	5165'	Cement to surface
6"	4 1/2" (lnr.)	10.5#	5015'-5850'	Cement to liner top

It is proposed to drill the referenced well with rotary tools from the surface to T.D. The anticipated zone of production is the Gallup Formation. Attached is the 10 Point Drilling Plan and the 13 Point Surface Use Plan.

Gas is dedicated to Southern Union.

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 Paul C. Bertoglio TITLE Production Engineer RMD DATE September 23, 1983

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

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.

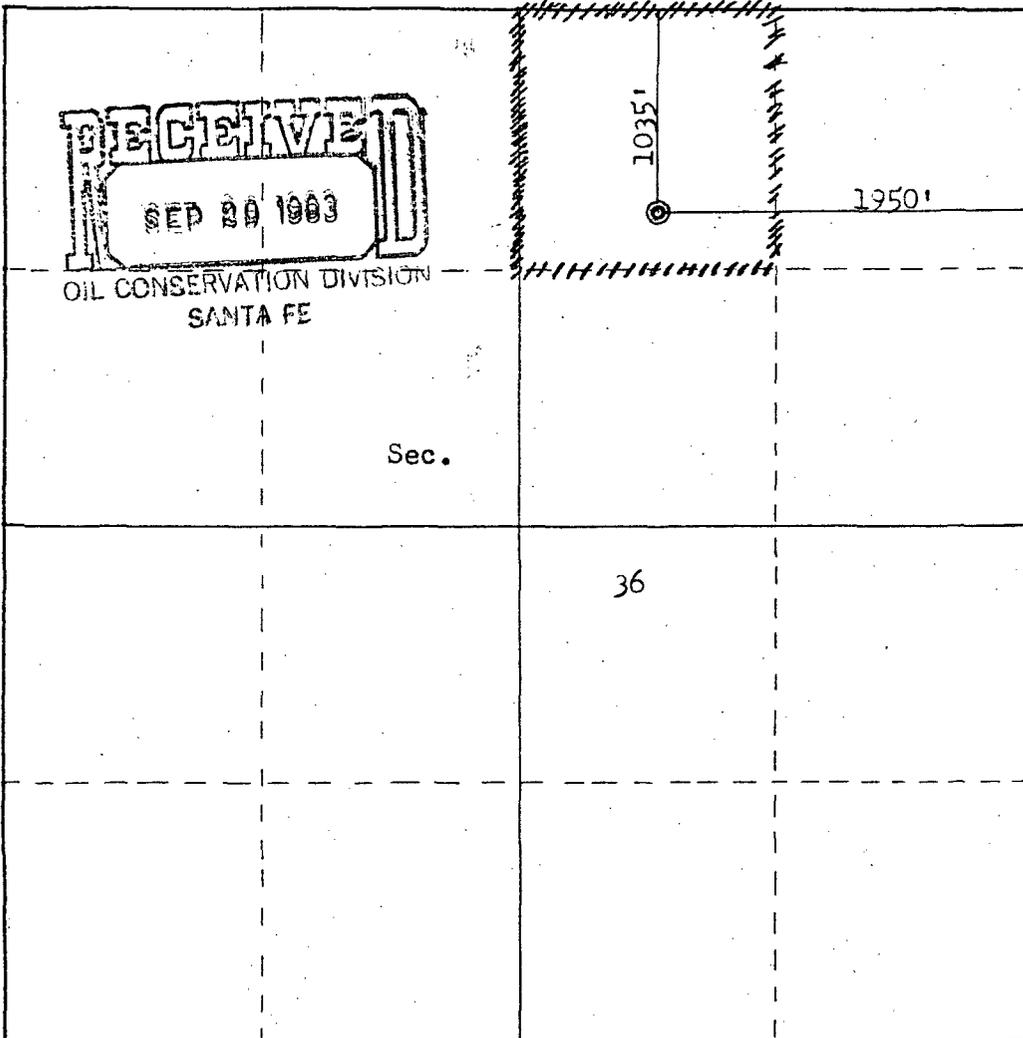
Operator ENERGY RESERVES GROUP, INC.		Lease E. H. PIPKIN "G"		Well No. 2
Unit Letter B	Section 36	Township 28N	Range 11W	County San Juan
Actual Footage Location of Well: 1035 feet from the North line and 1950 feet from the East line				
Ground Level Elev: 5675	Producing Formation Gallup	Pool Unnamed Gallup	Dedicated Acreage: 40 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
Paul C. Bertoglio
Position
Production Engineer
Company
Energy Reserves Group, Inc.
Date
September 23, 1983

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
September 13, 1983
Registered Professional Engineer
and Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.
Certificate No. 3950

Scale: 1"=1000'

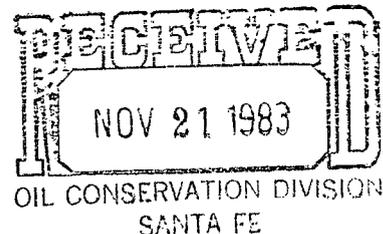
File in
NSL - 1750

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



November 18, 1983

New Mexico Oil Conservation Commission
P. O. Box 2088
Sante Fe, New Mexico 87501



Attention: Mr. Mike Stogner

RE: E. H. Pipkin # G-2 & # G-3
Well Plats

Dear Mr. Stogner:

Attached are copies of the plats you requested during our phone conversation on 11-17-83 for the subject wells.

Once again I'd like to thank you for your help in approving the subject non-standard well locations.

Thanks!

Yours Truly,
ENERGY RESERVES GROUP, INC.

A handwritten signature in cursive script that reads "Paul Bertoglio".

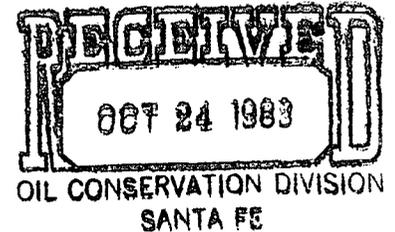
Paul Bertoglio
Production Engineer
Rocky Mountain District

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



October 21, 1983

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



Attn: Mr. R. L. Stamets
Technical Support Chief

RE: APD for Non- Standard Location
E. H. Pipkin No. G-2
Section 36-T28N-R11W
San Juan County, New Mexico

Dear Mr. Stamets:

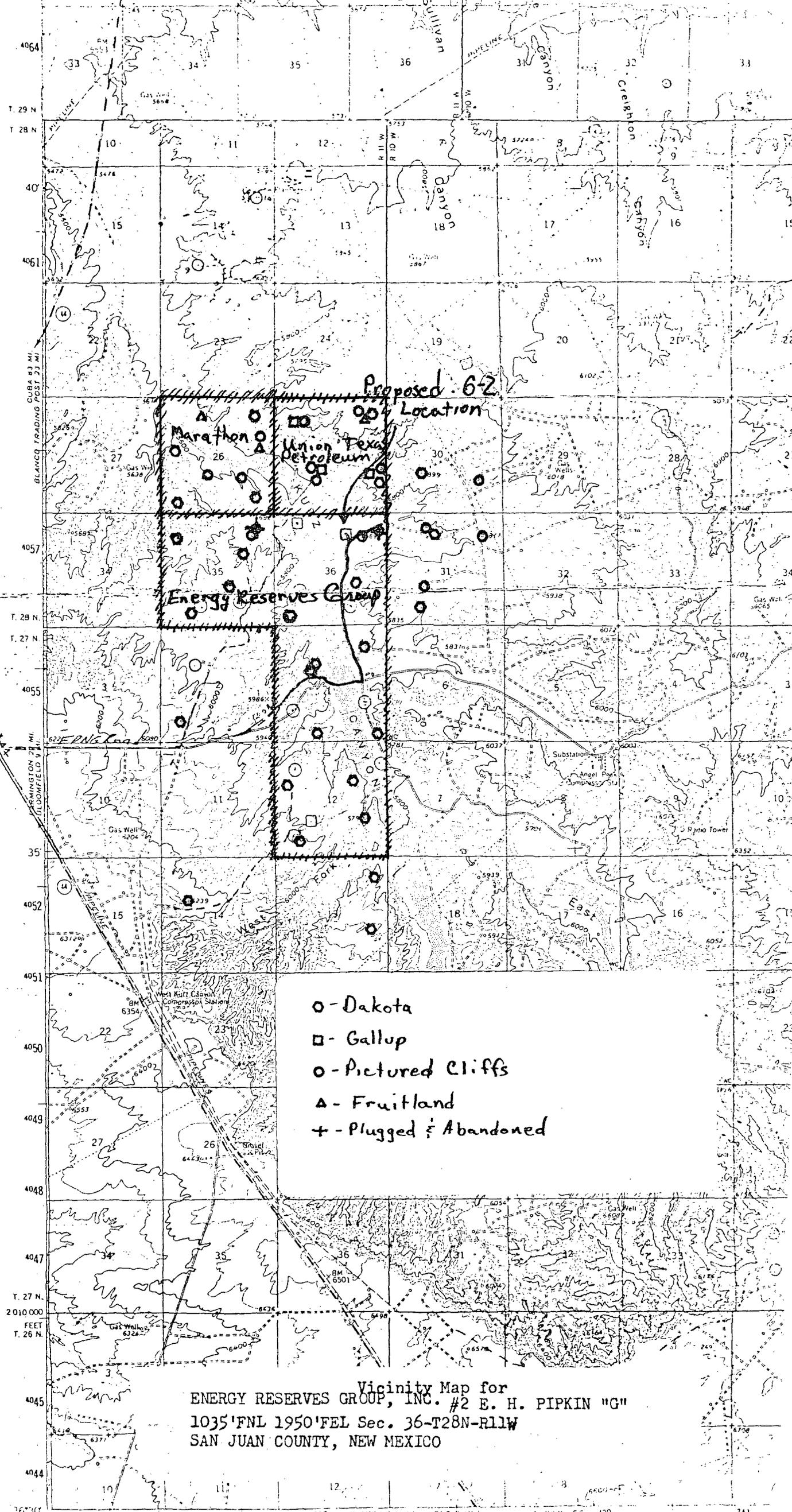
In reference to your letter on 10-11-83, please find attached a plat showing the ownership of the offsetting leases to the subject well. These offset owners were notified by certified letter sent 10-21-83.

Sincerely yours,
ENERGY RESERVES GROUP, INC.

A handwritten signature in cursive script that reads "Paul Bertoglio".

Paul Bertoglio
Production Engineer
Rocky Mountain District

cc: Well File

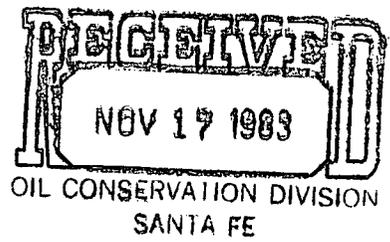


Proposed 6-2 Location

Energy Reserves Group

- - Dakota
- - Gallup
- - Pictured Cliffs
- △ - Fruitland
- + - Plugged & Abandoned

Vicinity Map for
 ENERGY RESERVES GROUP, INC. #2 E. H. PIPKIN "G"
 1035'FNL 1950'FEL Sec. 36-T28N-R11W
 SAN JUAN COUNTY, NEW MEXICO



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



As proposed by Energy Reservers Group, Inc., we have no objection to the unorthodox well location known as the:

E. H. Pipkin No. # G-2
Section 36-T28N-R11W
San Juan County, New Mexico

Doyle L. Jones
Name

Marathon Oil Company
Company

District Operations Manager
Title

November 8, 1983
Date