

Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82601
Phone 307 265 7331



November 21, 1979

NSP-1170

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

U.S. Geological Survey
Oil and Gas Operations
P.O. Box 959
Farmington, New Mexico 87401

State of New Mexico
Energy and Minerals Department
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

*lots 3 & 4 10-T28 N- R12W
and S/2SW/4
West Kutz Pictured Cliffs Pool
Rule 5(B) 3 R-1670
Immediate*

Re: Application for Permit to Drill, Non-Standard Unit

Gentlemen:

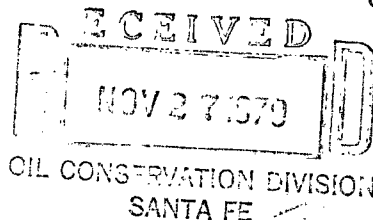
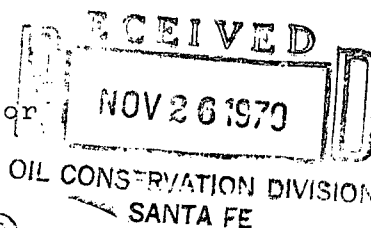
Attached is an Application for Permit to Drill for well - Gallegos Canyon Unit Number 295 located in the SW $\frac{1}{4}$ of Section 10, T28N R12W. The well spacing is 160 acres for the Gallegos Canyon Unit-Pictured Cliffs wells. Section 10 is a non-standard section as necessitated by a variation in the legal subdivision of the U. S. Public Land Survey. (See attached survey plat and U.S. G. S. topographical map.) Approval is requested for a non-standard unit for this well. Energy Reserves Group is the designated operator of the Pictured Cliffs participating area of the Gallegos Canyon Unit. The referenced well location is within participating area boundry (see attached topographical map) and Energy Reserves Group is the offset operator. Amoco Production Company is the Unit Operator and is the only other interest owner within the area of concern. Amoco was notified by certified mail as of this date.

If any additional information is required please advise.

Very truly yours,
ENERGY RESERVES GROUP, INC.

William J. Fiant
William J. Fiant
Field Services Administrator

WJF/bac



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

1045' FSL and 1075' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx. 7 miles from Farmington, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

900'

16. NO. OF ACRES IN LEASE

Unitized

19. PROPOSED DEPTH

1600'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

135.93

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5532 GR. (Ungraded)

22. APPROX. DATE WORK WILL START*

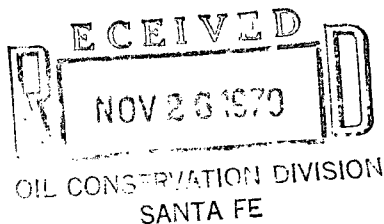
November-December 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 3/4"	8-5/8"	24#	120'	Cmt to surface
6 1/2"	4 1/2"	9.5#	1600'	Cmt to surface

Energy Reserves Group, Inc. proposes to drill the above referenced well with rotary tools from surface to T.D. The anticipated zone of completion is the Pictured Cliffs Formation at 1400'-1600'. No DST's are planned. Copies of all logs run will be furnished upon completion of the well.



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

TITLE

Field Services Administrator

DATE

11-21-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION
SANTA FE

See Instructions On Reverse Side

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



Energy Reserves Group
(Name of Sender)

Box 3280
(Street or P.O. Box)

Casper Wyo 82602
(City, State, and ZIP Code)

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, and 3 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



ENERGY RESERVES GROUP, INC
(Name of Sender)

Box 3280
(Street or P.O. Box)

CASPER WYO 82602
(City, State, and ZIP Code)

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery, \$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Amoco Production Company
 Security Life Building
 Denver, Colorado 80202

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY _____ POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery, \$____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Amoco Production Co
 501 Airport Rd
 Farmington, N.M. 87401

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY _____ POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

Supplemental to Form 9-331C

1. The geologic name of the surface formation.

Nacimiento

2. The estimated tops of important geologic markers.

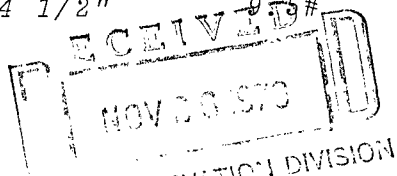
<i>Ojo Alamo</i>	<i>150'</i>
<i>Fruitland</i>	<i>1050'</i>
<i>Pictured Cliffs</i>	<i>1400'</i>
<i>T.D.</i>	<i>1600'</i>

3. The estimated depths at which anticipated water, oil, gas, or other mineral-bearing formations are expected to be encountered.

The Pictured Cliffs Formation @ 1400' - 1600' is expected to be gas productive.

4. The proposed casing program, including the size, grade, and weight-per-foot of each string and whether new or used.

<i>8 5/8"</i>	<i>24#</i>	<i>@ 120'</i>	<i>cement to surface</i>
<i>4 1/2"</i>	<i>20#</i>	<i>@ 1600'</i>	<i>cement to surface</i>



5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.
Pressure control equipment to consist of an 8" hydraulically operated double ram BOP series 900, 3000#. The BOP will be pressure tested to 500 psi after installation and prior to drilling out from under surface casing.
6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling and the quantities and types of mud and weighting material to be maintained.

Well is to be drilled with gel mud plus required additives for hole conditions and formations to be drilled. Normally about 25 sx of gel will be on location at one time.

7. The auxiliary equipment to be used, such as (1) kelly cocks, (2) floats at the bit, (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string.

Kelly cock stop for 3 1/2" drill pipe, and a full opening floor valve to stab into the drill pipe.

8. The testing, logging, fracing, and coring programs to be followed with provision made for required flexibility.

No coring is planned, no DST's are planned. Logs will probably be IES only. Nitrogen-water (foam) fracing consisting of approximately 20,000 gal. of 70% quality foam with 25,000# 10-20 sand.

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas, along with plans for mitigating such hazards.

No abnormal pressures or temperatures are anticipated. H₂S is not a potential problem in the area.

10. The anticipated starting date and duration of the operations.

It is planned to commence operations as soon as regulatory approval has been received and a rig can be obtained. It is anticipated it will take 3-4 days to drill and log this well.

ENERGY RESERVES GROUP, INC.

MULTI-POINT SURFACE USE PLAN

1. EXISTING ROADS

Go east from Farmington $6\frac{1}{2}$ miles, turn south for approx 3 miles.

2. PLANNED ACCESS ROADS

No new access road will be required.

3. LOCATION OF EXISTING WELLS

See Attachments

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. (1) None anticipated

(2) A separator may be required if well produces fluid.

(3) N.A.

(4) If the well is a producer, El Paso Natural Gas Co. will install gathering line under a right-of-way permit.

(5) N.A.

(6) N.A.

B. If the well is productive, all facilities will be within the disturbed area. A small pit (20' x 20') may be required if any water is produced. The pit will be fenced w/sheep wire to protect livestock and wildlife.

C. If the well is productive, the reserve pit will be fenced and allowed to dry up. As soon as it is dry, it will be filled and the area restored to its original contour. All trash and debris will be removed.

If the well is dry, the pit will be fenced and allowed to dry. The location and access road will be recontoured and reseeded as per BLM specifications.

5. LOCATION AND TYPE OF WATER SUPPLY

Water will be hauled by truck, probably from Well 257 injection facilities

6. SOURCE OF CONSTRUCTION MATERIALS

None Anticipated.

7. METHODS FOR HANDLING WASTE DISPOSAL

(1&2) All cuttings and drilling fluids will be contained in the reserve pit.

(3) Produced fluids, if any, will be contained in portable tanks, unless it is good water which will be directed into the pit and allowed to evaporate or soak into the ground.

(4) A portable toilet will be used during drilling and completion operations/

(5) All trash will be buried in a small trash pit along side of the reserve pit.

(6) See Item 4.C.

8. ANCILLARY FACILITIES

None required.

9. WELL SITE LAYOUT

(1) See Attachment

(2) See Attachment

(3) See Attachment

(4) It is not planned to line any pits.

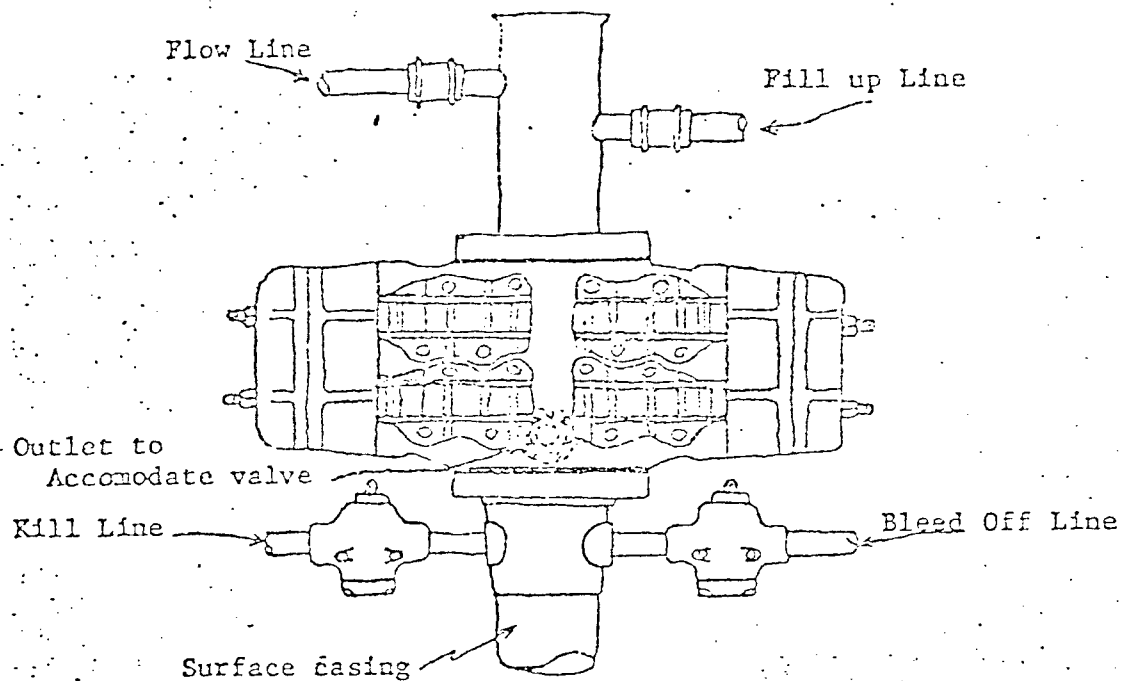
CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by _____

JACK TRIM
and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-13-79
Date

William J. Juan
Name and Title
FIELD SERVICES ADMINISTRATOR



Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

Blowout preventer closing unit is Kocmay 30 gallon accumulator unit.

When choke manifold is used, it will be installed downstream from bleed off valve.

Kill line or bleed off line may be installed at flanged opening in blowout preventer.

All distances must be from the outer boundaries of the Section

Operator ENERGY RESERVES GROUP			Lease GALLEGOS CANYON UNIT		Well No. 295
Unit Letter M	Section 10	Township 28N	Range 12W	County San Juan	
Actual Footage Location of Well: 1045 feet from the South line and 1075 feet from the West line					
Ground Level Elev. 5532	Producing Formation Pictured Cliffs		Pool West Kutz Pictured Cliff		Dedicated Acreage: 135.93 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.

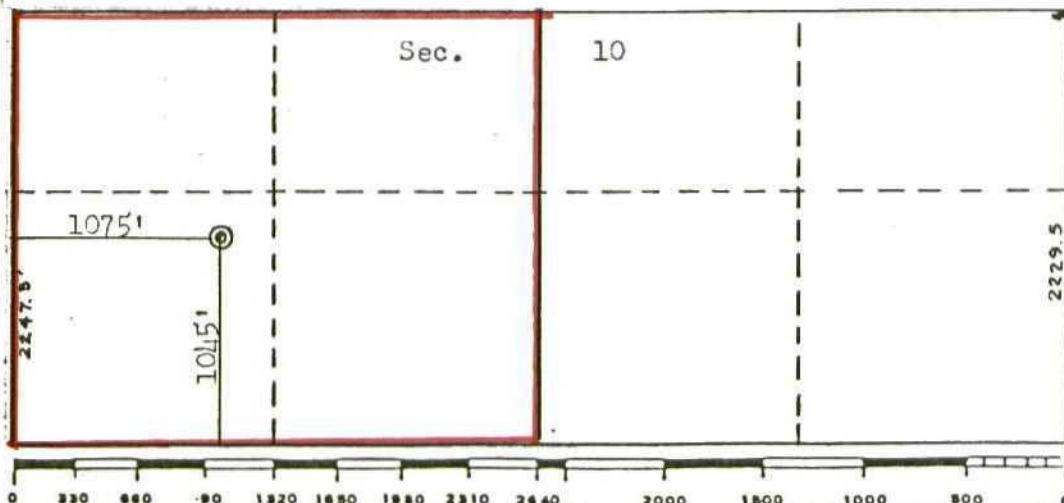
CERTIFICATION

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

Name
William H. Kerr
Position
Field Services Administ.
Company
Energy Reserves Group
Date
October 31, 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 31, 1979
Registered Professional Engineer
and/or Land Surveyor No. 3950
Fred H. Kerr, Jr.
Certificate No. 3950
KERR, JR.



Multi-Point Surface Use Plan Worksheet

Well Name: Gallegos Canyon Unit #295
Location: SW 10-28-12 County: _____
Formation: PC TD: _____

1. Show proposed new roads on topographic map (Map No. 1).
2. Show proposed new gathering pipeline on pipeline map (Map No. 2).
3. Show any production facilities which are not on either Map No. 1 or Map No. 2.

4. Name water supply point: Hammond Ditch
or San Juan River

5. Place on the location plat (Plat No. 1) the following items:

North Line
Access Road entrance to location
Amounts of cuts and fills around the location
Any other pertinent information

6. Terrain: Rolling hills and sand
stone ledges

Vegetation and timber: Cedar & Sage Brush

Wildlife and domestic animals: Beaver

7. Distance to nearest town or post office: Farmington N.M. 7 mi

8. Distance to nearest well: 900 ft

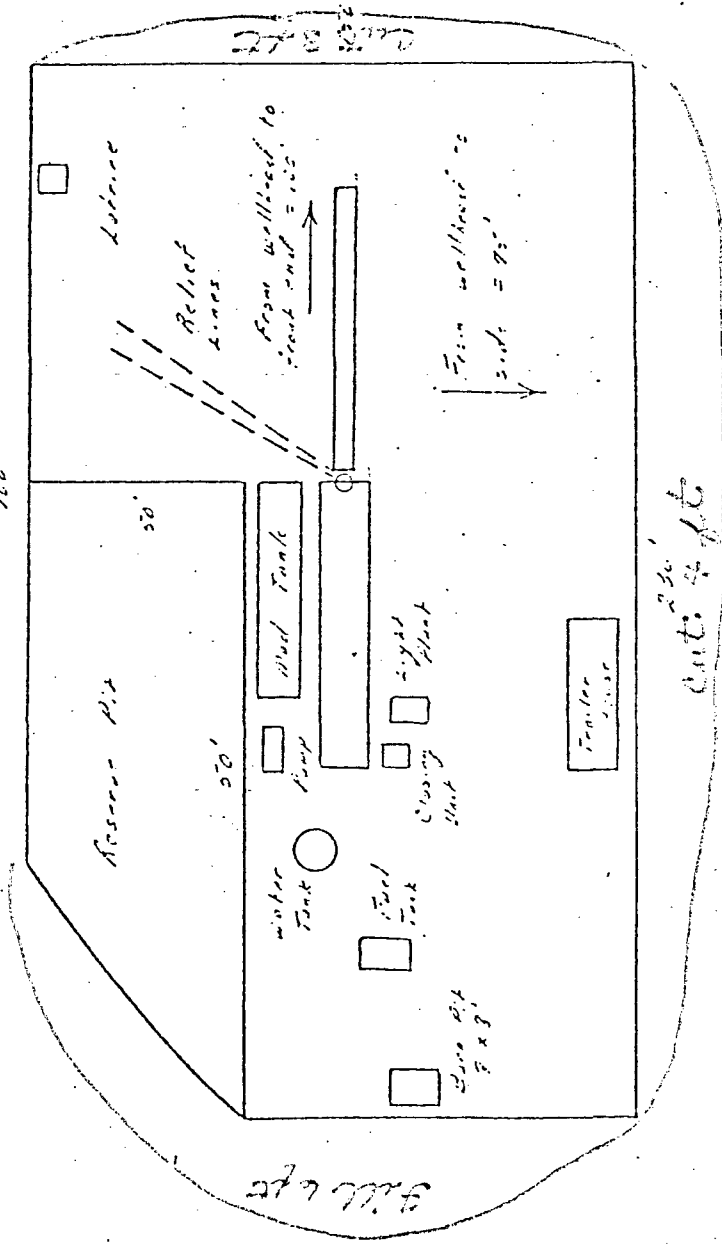
Date: 10-23-79

Initials: _____



Gallagher Canyon Units #295

Typical Location Plot for Pictured Butte Well



Scale 1/4" = 25'

