

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

BOX 3280, CASPER, WYOMING 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1400' FSL, 2500' EL

At proposed prod. zone

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

about 6 miles east and 5 miles south of Farmington

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

NA

16. NO. OF ACRES IN LEASE

UNITIZED

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

3000'

19. PROPOSED DEPTH

1600

20. ROTARY OR CABLE TOOLS

ROTARY

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

5765' GRD

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 7/8"	7"	17#	100'	50 sks
6 1/4"	4 1/2"	9.5#	1600'	90 sks

Energy Reserves Group, Inc. proposes to drill the above well with rotary tools from surface to TD. The anticipated zone of completion is the Pictured Cliffs formation.

No cores or DST's are planned. Copies of all logs run will be furnished upon completion of the well. Copies of the location plat are attached. The estimated tops are as follows:

Ojo Alamo	300'	Pictured Cliffs coal	1502'
Kirtland	400'	Pictured Cliffs ss	1517'
		TD	1600'

A series 600 or 900 BOP will be used while drilling this well. The gas is dedicated.

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

Hean B. Barnes

TITLE

RMD Production Engineer

DATE

October 28, 1976

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

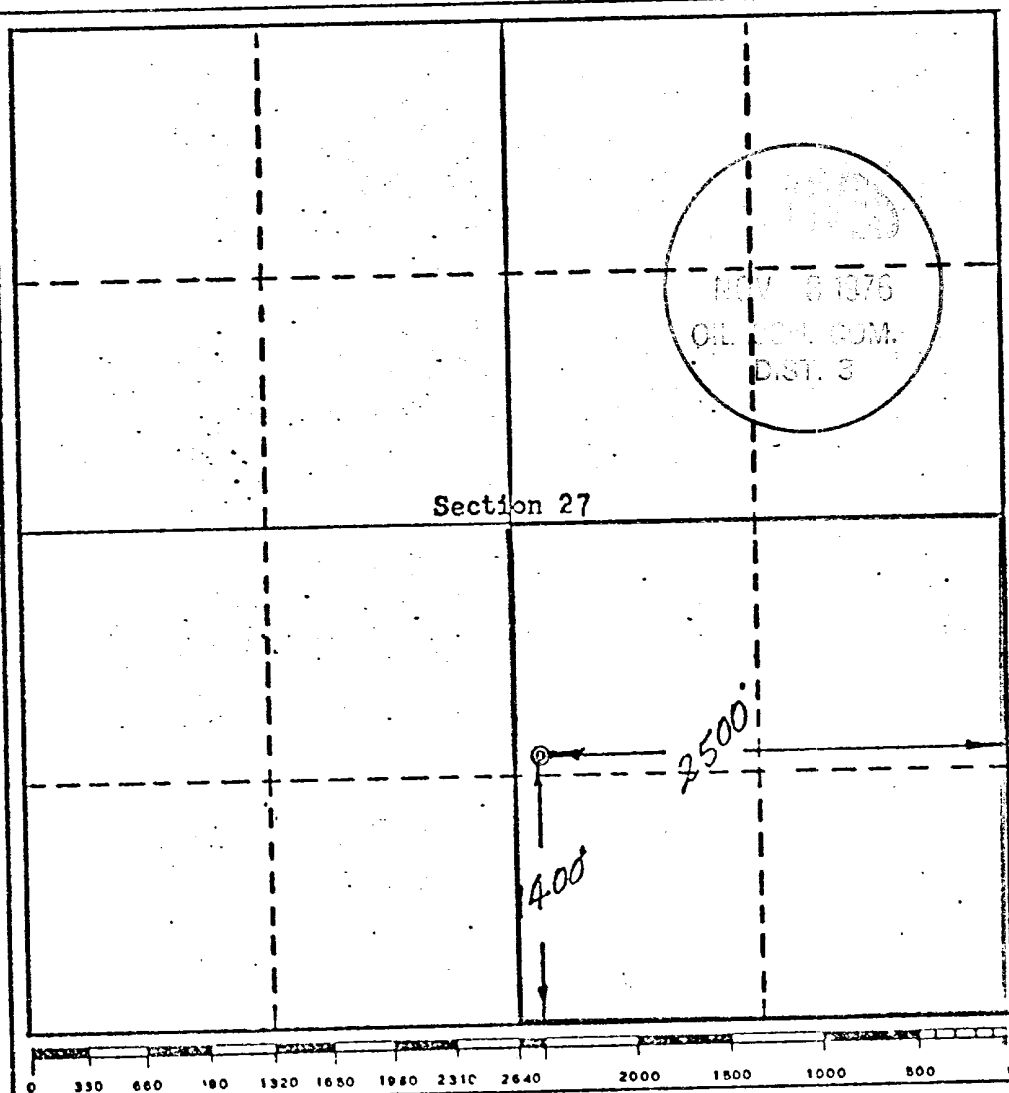
Operator Energy Reserves Group, Inc.			Lease Callegos Canyon Unit- XXXX		Well No. 271
Unit Letter J	Section 27	Township 28 North	Range 12 West	County San Juan	
Actual Footage Location of Well: 1400 feet from the South line and 2500 feet from the East line					
Ground Level Elev. 5765	Producing Formation Pictured Cliffs		Pool 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 correct to the best of my knowledge and belief.

Dean B. Barnes
Name
Dean Barnes

Position
R.M.D. Production Engineer

Company
Energy Reserves Group, Inc.

Date
October, 28, 1976

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 12, 1976

Registered Professional Engineer and Land Surveyor

John L. Poteet

Certificate No. 10001

ENERGY RESERVES GROUP, INC.
G.C.U.-P.C. # 271 (TD 1600')

Attachment with Form 9 - 331 C.

1. The geologic name of this surface formation is Nacimiento.
2. The estimated tops of the important geologic markers in this well are :

Ojo Alamo ss	300'
Kirtland	400'
Pictured Cliffs coal	1502'
Pictured Cliffs ss	1517'
TD	1600'
3. It is anticipated that the Pictured Cliffs formation will be gas bearing.
4. The proposed casing program is as follows :
Set 7" 17# used casing at 100' + and cement back to surface with 50 sks cement.
Set 4½", 9,5# secondhand casing at 1600' + (in a 6½" hole) and cement with 90 sks cement.
Estimated cement top at 1017' ±.
5. Pressure control equipment consists of the following :
A Shaffer type - double ram BOP - hydraulically operated - 10" 600 or 900 series. The BOP will be pressure tested to 400 psi after installation and prior to drilling out from under surface casing. See attachment #1
6. Well is to be drilled with gel mud plus required additives for hole conditions and formations to be drilled. Normally, about 30-40 sacks of gel will be on location at any one time. There is no need for weighting material.
7. Auxiliary equipment - a float at the bit and a full opening floor valve to stab into the drill pipe.
8. No coring is planned. No DST's are planned. It is planned to run only the IES log from TD to base of surface casing.
9. No abnormal pressures or temperatures are anticipated. H₂S is not a potential problem in this area.
10. It is planned to commence drilling operations soon after regulatory approval has been received. It is planned to drill this well along with about ten (10) others yet this year. It is estimated it will take 6 days to drill and log this well.

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1. Existing Roads :

- a. See attachment #2
- b. About 6 miles east and 5 miles south of Farmington.
- c. Covered by a. and b.
- d. Not applicable - Development well.
- e. See attachment #2
- f. Existing roads are in good condition.
No improvement or maintenance required.

2. Planned Access Roads :

It will not be necessary to construct additional access road.

- (1) Width of driving area limited to 16'±.
- (2) Maximum grades 4 % +
- (3) (4) (5) (6) (7) Not required.

3. Location of existing Wells :

Wells indicated on Attachment #2 are producing wells operated by Energy Reserves Group, Inc.

4. Location of Existing and/or Proposed Facilities :

- a. (1) None
- (2) At each well
- (3) None
- (4) El Paso has gathering lines to each well.
- (5) None
- (6) None
- b. If well is productive El Paso will hook up each well. A meter house will be required at each well.

5. Location and Type of Water Supply :

- a. It may be possible to dig a water hole with a cat in the Gallegos Canyon near proposed well #274.
If enough water is not available from this source it will be necessary to have it from the San Juan River near where you cross it after turning off the Bloomfield Highway.
- b. Hauling by truck in either case.
- c. Not contemplated.

6. Source of Construction Materials :

a.b.c.d. None required.

7. Method for Handling Waste Disposal :

- (1) (2) (3) Reserve pit at drill site will be used to contain these materials.
- (5) A small deep trash pit will be dug at drill site location.
- (6) Area will be policed up after drilling rig moves out and debris placed in trash pit.

8. Ancillary Facilities :

None planned.

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9. Well Site Layout :

- (1) See attachment #3
- (2) See attachment #4
- (3) See attachment #4
- (4) It is not planned to line pit.

10. Plans for Restoration of Surface :

As soon as pit is dried up it will be filled in and the surface leveled and contoured to surrounding terrain.

11. Other Information :

- (1) Location is adjacent to black type Road. Location is in a portion of irrigation project that is not being irrigated. The soil is sandy, and the vegetation is fair for the area.
- (2) No other surface use activities.
- (3) No water or occupied building nearby.

12. Lessee's or Operator's representative :

Mr. T.C. Durham is the Foreman who will represent Energy Reserves Group, Inc. during our drilling and clean up operations in connection with this well. He lives in Farmington, New Mexico. His address and phone no's are as follows :

Home	- 1205 Camino Largo	ph. 505-325-7978
Office	- Box 977	ph. 505-327-1639
Contact	- Unit 539	ph. 505-325-1873

13. Certification :

See attached certificate.

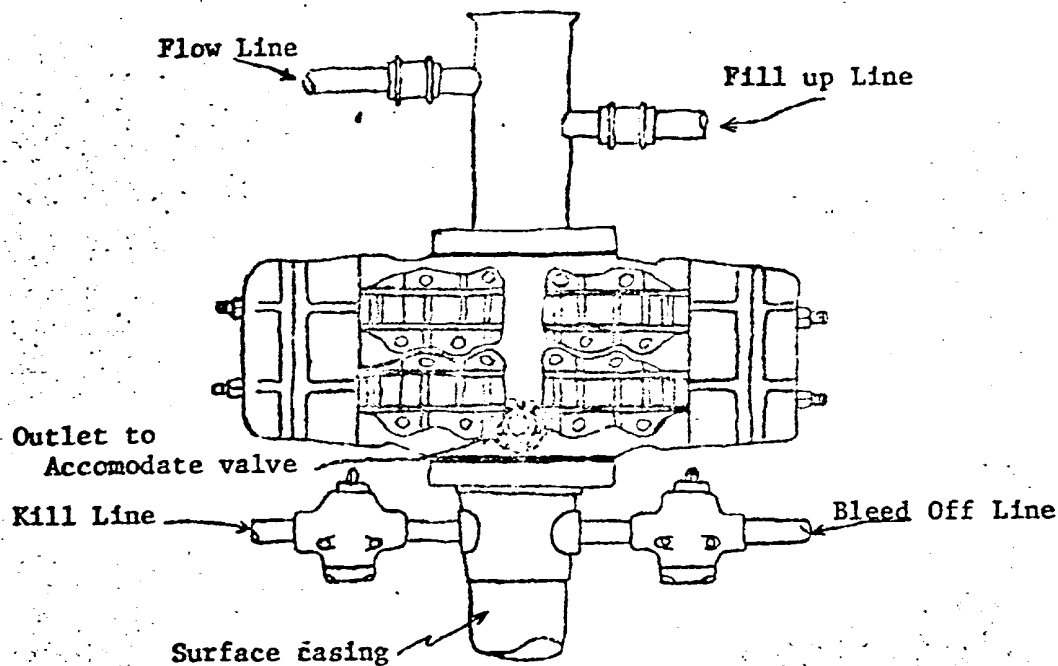
CERTIFICATION

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 _____

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

10-5-76
Date

W. S. Sullivan Foreman
Name and Title

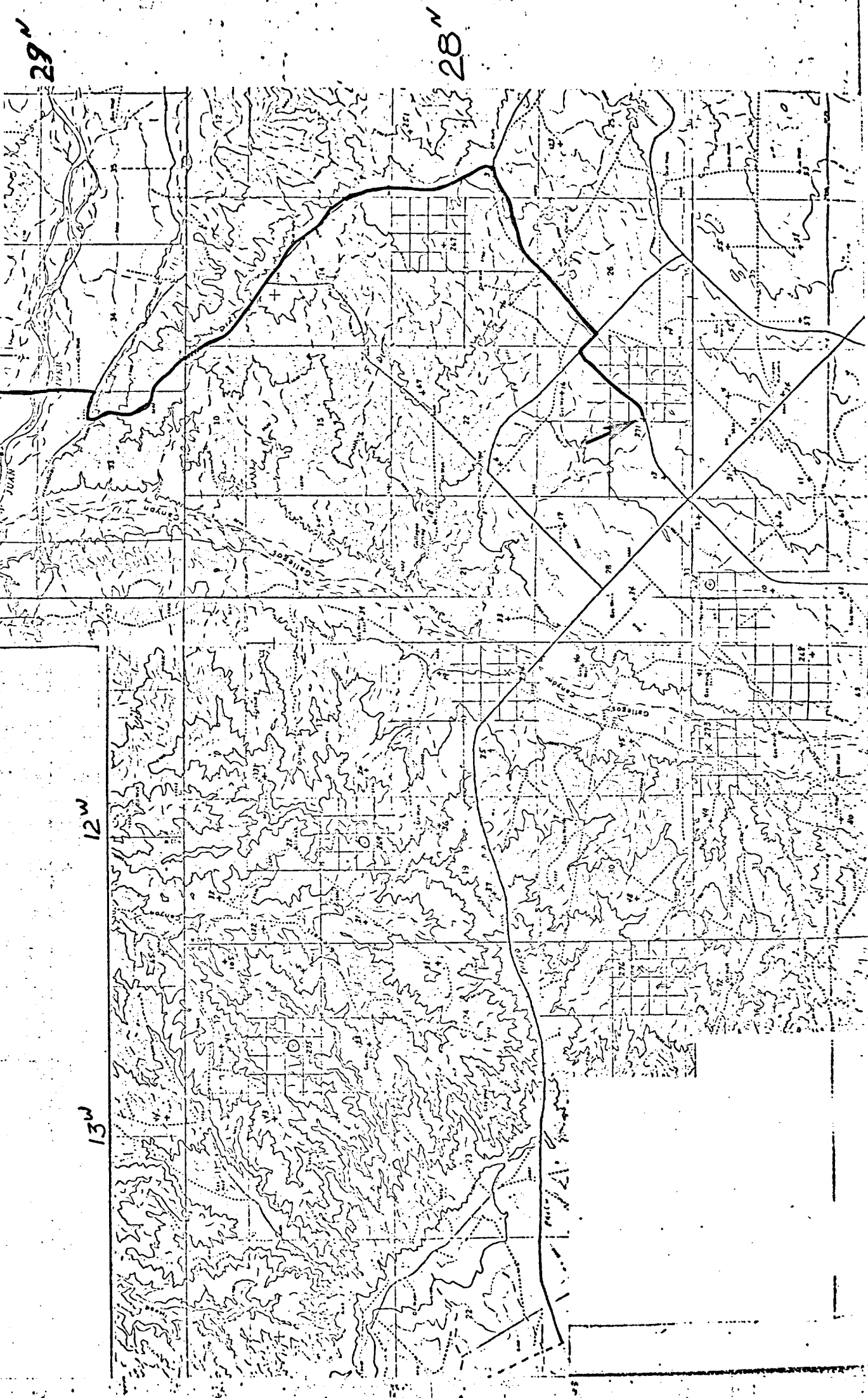


Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

Blowout preventer closing unit is Koomey 30 gallon accumulator unit.

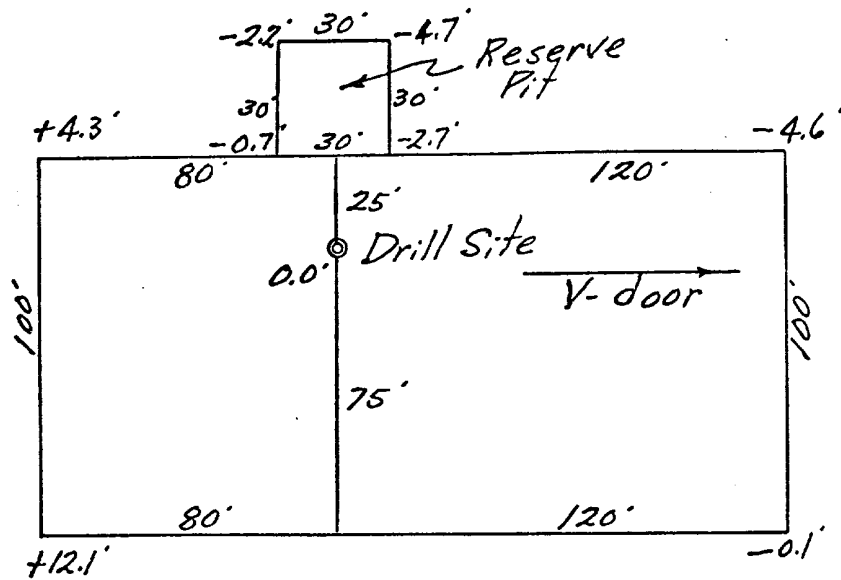
When choke manifold is used, it will be installed downstream from bleed off valve.

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



Attachment #3

Energy Reserves Group, Inc.
CCU-FC # 277
1400' FS & 2500' FE Sec 27-28N-12W
San Juan County, New Mexico



RIG LAYOUT

