

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-22239
5. LEASE DESIGNATION AND SERIAL NO.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Gallegos Canyon Unit-

8. FARM OR LEASE NAME

9. WELL NO.

268

10. FIELD AND POOL, OR WILDCAT

Kutz Pictured Cliffs

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec 32 T28N-R12W

12. COUNTY OR PARISH 13. STATE

SAN JUAN New Mexico

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

430' FSL 430' FEL

At proposed prod. zone

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

about 8 miles south and 4 miles east of Farmington

15. 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.

2500'

19. PROPOSED DEPTH

1450'

20. ROTARY OR CABLE TOOLS

Rotary

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

5679' 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 1/2"	4 1/2"	9,5#	1450'	100 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:

Pictured Cliffs ss 1300'

TD 1450'

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

Dean B. Barnes

TITLE

RMD Production Engineer

DATE

October 28, 1976

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

RECEIVED

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NOV 2 1976

Okaf

*See Instructions On Reverse Side

U. S. GEOLOGICAL SURVEY
FARMINGTON, N.M.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

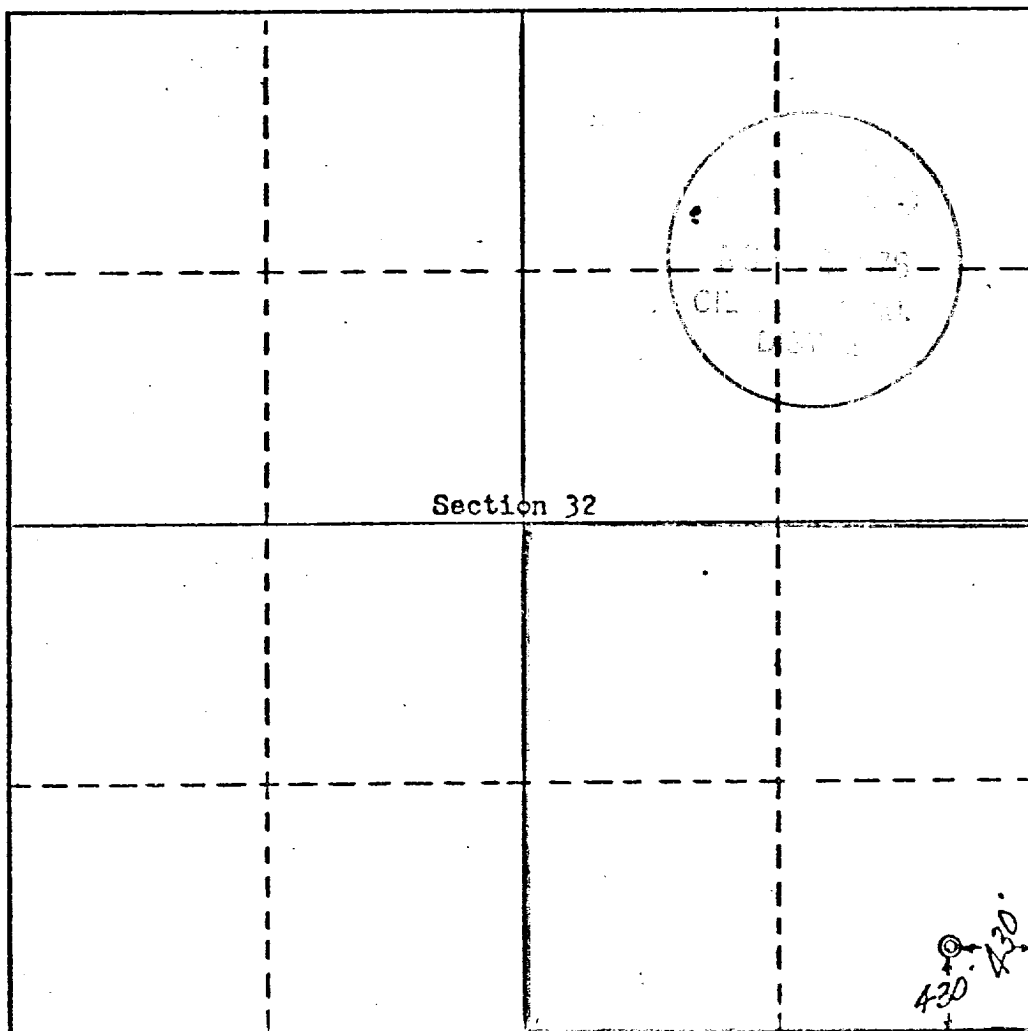
Operator Energy Reserves Group, Inc.			Lease Callegos Canyon Unit - XXXX		Well No. 268
Unit Letter P	Section 32	Township 28 North	Range 12 West	County San Juan	
Actual Footage Location of Well: 430 feet from the South line and 430 feet from the East line					
Ground Level Elev. 5679	Producing Formation Pictured Cliffs		Pool <i>West</i> 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.

Dean B. Barnes

Name
Dean Barnes
Position
RMD 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 14, 1976
Registered Professional Engineer
and Land Surveyor

Certificate No. **3054**

ENERGY RESERVES GROUP, INC.
G.C.U.-P.C. # 268 (TD 1450')

Attachment with Form 9 - 331 C.

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

Pictured Cliffs	1300'
TD	1450'
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 1450' + (in a 6½" hole) and cement with 100 sks cement.
Estimated cement top at 800' ±.
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.

NTL-6

1. Existing Roads :

- a. See attachment #2
- b. About 8 miles south and 4 miles east of Farmington.
- c. Covered in 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 :

- No access road required.
- (1) width of driving area limited to 16'±
 - (2) essentially flat.
 - (3)(4)(5)(6)(7)(8) 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 :

NTL-6

9. Well Site Layout :

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

10. Plans for Restoration of Surface :

- (1) As soon as pit is dried up, it will be filled in and the surface leveled and contoured to surrounding terrain.
- (2) As per regulatory recommendations.
- (3) Rehabilitation will take place as soon as possible after drilling and completion operations are completed.

11. Other Information :

- (1) Topography of well site and access road is flat, slightly rolling, sandy soil with very sparse vegetation.
- (2) Portion of area being irrigated.
- (3) No water or dwellings 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	-	

CERTIFICATION

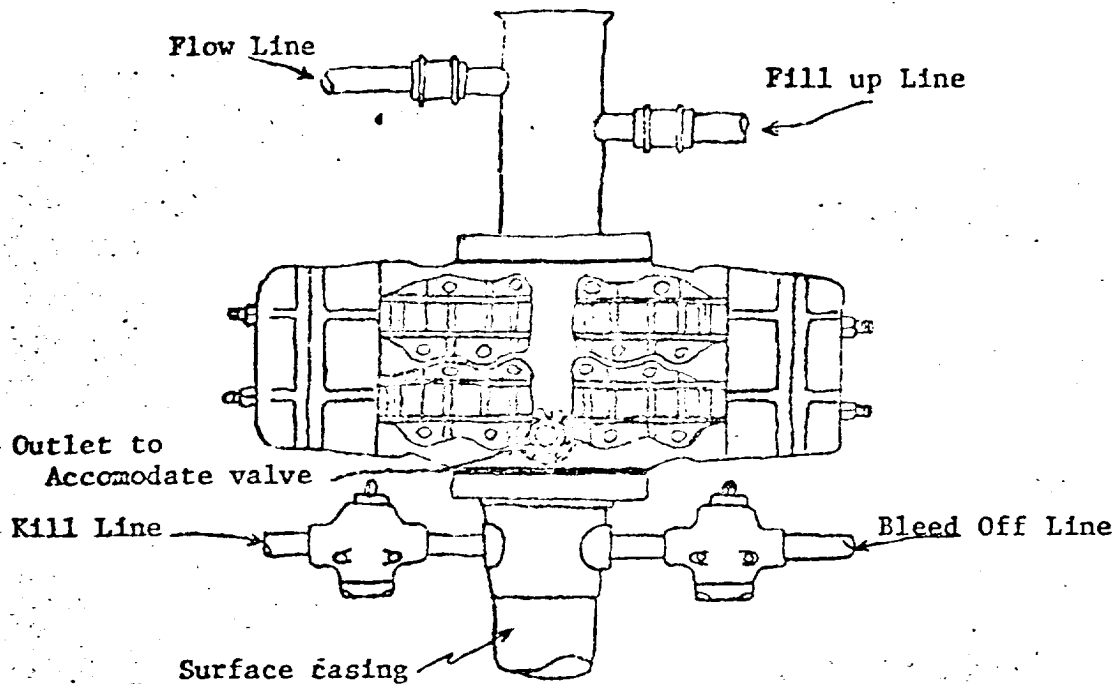
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

Fred Fred Jones
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. Jones Foreman
Name and Title

Attachment #1

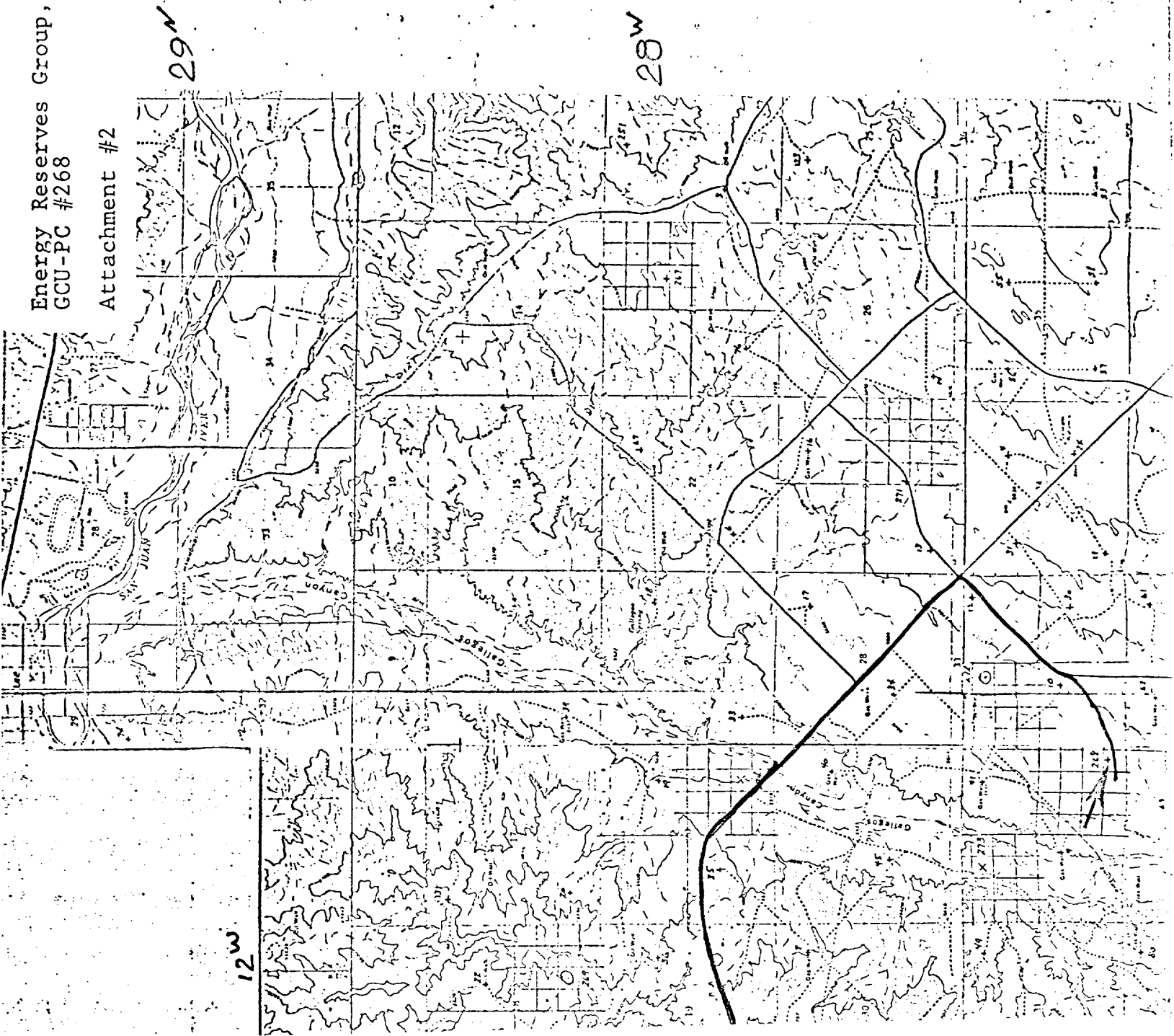


Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

Blowout preventer closing unit is Kocmey 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.



Energy Reserves Group, Inc.

GCU-PC #268

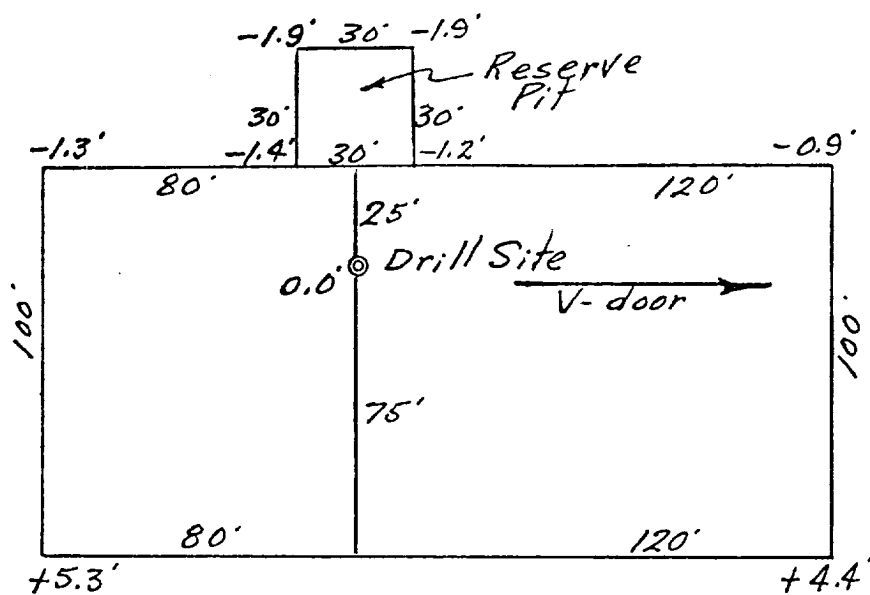
Attachment #3

Energy Reserves Group, Inc.

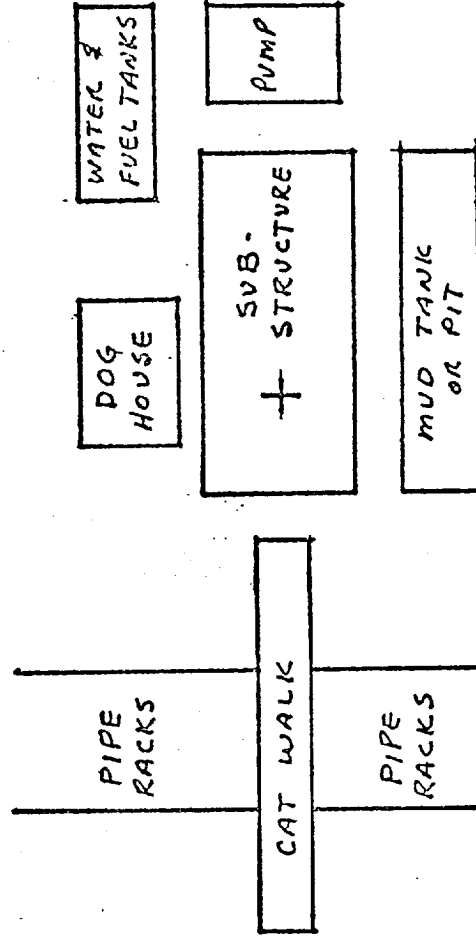
GCU-PC # 268

430' FS & 430' FE Sec 32-28N-12W

San Juan County, New Mexico



RIG LAYOUT



TRASH
PIT



RESERVE
PIT