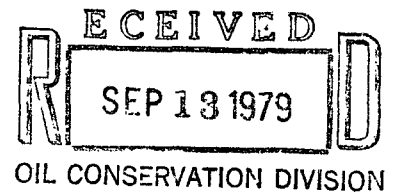


Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82601
Phone 307 265 7331



August 23, 1979

State of New Mexico
Oil & Gas Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

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

State of New Mexico
Oil & Gas Conservation Commission
1000 Rio Brazos Road
Aztex, New Mexico 87401

Re: Request for Unorthodox Well Location,
Well E.H. Pipkin No. 6-E
San Juan County, New Mexico

Gentlemen:

*NSL-1078
Basin Dakota
Rule 3 R1670-V
Immediate*

*22-50 N
64-5 W 36-27 N-11 W*

Energy Reserves Group, Inc. requests approval of an unorthodox well location for its well E.H. Pipkin No. 6-E due to topographical conflicts. The orthodox location for this well falls in the bottom of Kutz Canyon. This canyon contains a significant drainage during run off periods. The area is highly eroded with numerous gullies and dry washes. It will be necessary to move the location south and west up out of the drainage bottom in order to construct a suitable location.

Energy Reserves Group, Inc. is the offset operator (See attached map).

If any additional information is required, please call me collect anytime.

Very truly yours,

ENERGY RESERVES GROUP, INC.

William J. Piant
Field Services Administrator

Attachments

WJF/cc

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

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

At proposed prod. zone 2250' FNL & G45' FWL

SW/NW

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

Approx six mile south & one mile east of Bloomfield, N.M.

15. DISTANCE FROM PROPOSED*

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

2250'

18. DISTANCE FROM PROPOSED LOCATION*

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

1200'

16. NO. OF ACRES IN LEASE

2560

19. PROPOSED DEPTH

6300'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160 (320)

20. ROTARY OR CABLE TOOLS

Rotary

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

22. APPROX. DATE WORK WILL START*

Sept., 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	20#	640'	Cement to surface
7 7/8"	4 1/4"	10.5#	6300'	500 sx

Energy Reserves Group, Inc. proposes to drill the above referenced well with rotary tools from surface to T.D. Proposed zone of completion is the Basin Dakota @ 6115'.

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 September 10, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

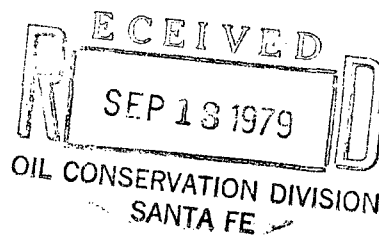
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



1. The geologic name of the surface formation.

Nacimient

2. The estimated tops of important geologic markers.

<i>Ojo Alamo</i>	<i>540'</i>	<i>Gallup</i>	<i>5180'</i>
<i>Kirtland</i>	<i>635'</i>	<i>Greenhorn</i>	<i>5975'</i>
<i>Pictured Cliffs</i>	<i>1625'</i>	<i>Dakota</i>	<i>6115'</i>
<i>Cliff House</i>	<i>3120'</i>	<i>T.D.</i>	<i>6300'</i>
<i>Pt. Lookout</i>	<i>3960'</i>		
<i>Mancos</i>	<i>4285'</i>		

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

Ojo Alamo @ 540 is expected to be water bearing.
Kirtland 635-3960' possible gas.
Pt. Lookout 635-3960 possible gas
Gallup @ 5180' possible oil.
Dakota @ 6115' primary - gas.

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

8 5/8" K-55 20# NEW
4 1/2" K-55 10.5# NEW

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.

A 10" series 900 dual ram hydraulic BOP will be used. It will be tested to 800 PSI after installation and prior to drilling out from under surface casing. The BOP will be operated on each trip.

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.

A fresh water base chemical gel mud will be used for drilling operations. Adequate supplies will be on location to handle minor lost circulation & blow out prevention.

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.

A kelly cock, and a sub w/drill pipe thread and full opening valve on the rig floor will be used.

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 consist of DIL, Density-Neutron Gamma Ray. Fracing will consist of 100,000 gal gel water & 250,000# 20-40 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. H₂O is not a problem in this area.

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

It is planned to commence operations as soon as regulatory approval is obtained. It is estimated that it will take 15-20 days to drill, log, complete & test this well.

1. EXISTING ROADS

A-E. See attached map

F. Existing roads in the area are presently maintained by Energy Reserves Group, Inc. and El Paso Natural Gas Company, and Southern Union Refinery Company. No improvements are necessary.

2. PLANNED ACCESS ROADS

- (1) Maximum width will be a 20' running surface
- (2) Maximum grade will be 10% or less
- (3) No turn outs are planned
- (4) Drainage will be installed as per BLM recommendations
- (5)
- (6) No surfacing is planned
- (7)

3. LOCATION OF EXISTING WELLS

See attached topo map

There are numerous producing wells in the area. The proposed wells are 160 acres offset to the existing Energy Reserves Group, Inc. Basin Dakota Wells.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

(Existing)

A. See attached map

- (1) tank batteries are located @ each well site
 - (2) production facilities consisting of a separator and delay unit are located at each well site.
 - (3) There are no oil gathering lines
 - (4) Gas is sold to Southern Union Refinery Company at the well head. Gathering lines shown belong to Southern Union.
 - (5) NA
 - (6) NA
- All lines are buried

B. (Proposed)

- (1,2) See attached plat
- (3) Standard oil field type construction methods will be used. No outside construction materials will be needed.
- (4) All pits and rotating machinery will be fenced or guarded so as to protect any livestock or wildlife.

C. REHABILITATION

Those area no longer needed after drilling and completion operations will be re-contoured and reseeded as per BLM recommendations.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water will be obtained from the Kutz Wash located nearby or the San Juan River near Bloomfield
- B. Water will be hauled by truck over existing roads
- C. No water wells are planned

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials are necessary

7. METHODS OF HANDLING WASTE DISPOSAL

- (1,2,3,4,5) Cuttings, drilling fluids and produced water will be contained in the reserve pit. Any oil produced will be put into tanks. A portable toilet will be used during drilling and completion operations. Garbage and other waste material will be placed in a deep trash pit and buried.
- (6) Upon completion of operations the location will be policed up and all trash and garbage placed in the trash pit. The pit will then be covered to prevent scattering. The reserve pit will be fenced and allowed to dry. After drying it will be backfilled and recontoured to as near its original contour as possible.

8. ANCILLARY FACILITIES

No camps or air strips are planned

PAGE TWO

9. WELL SITE LAYOUT

See attached plat

10. PLANS FOR RESTORATION OF THE SURFACE

See 7. (6)

If drilling results in a dry hole or failure, the entire disturbed area including access road will be recontoured and reseeded as per BLM recommendations. The location rehabilitation will commence as soon as the pit has sufficiently dried to allow back-filling.

11. OTHER INFORMATION

The area is generally high desert type country. Erosion is excessive in the area due to lack of vegetative cover and erosive soils. Much erosion is evident along the Kutz Wash, especially along the west side. Vegetation is sparse, consisting of Juniper Trees, scrub sage, and assorted native grasses. Wildlife found in the area includes mule deer, coyotes, rabbits, and other small birds and rodents. The surface is public domain under the Administration of the Bureau of Land Management. Rabbit hunting and sight-seeing are the two possible surface use activities in the area. The N.A.P.I. Irrigation Canal runs through the general area. Kutz Wash is the closest natural stream. There are no occupied dwellings in the immediate vicinity. An Archaeological Inspection has been planned.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

The below listed personnel will be responsible for assuring compliance with the approved surface use plan.

Mr. T.C. Durham
P.O. Box 977
Farmington, New Mexico 87401
Home: 505-325-7978
Office: 505-327-1639
Mobil: 505-325-1873 #539

Mr. Harland Gould
4804 Linda Lane
Farmington, New Mexico 87401
Home: 505-325-2235
Office: 505-334-6200
Mobil: 505-325-0474

Mr. Bill Fiant
P.O. Box 3280
Casper, Wyoming 82602
Home: 307-265-2529
Office: 307-265-7331

13. CERTIFICATION

See attached

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

Aug 23, 1979
Date

William J. Juan
ENERGY RESERVES GROUP, INC.
FIELD SERVICES ADMINISTRATOR
Name and Title

All distances must be from the outer boundaries of the Section

SEP 18 1979

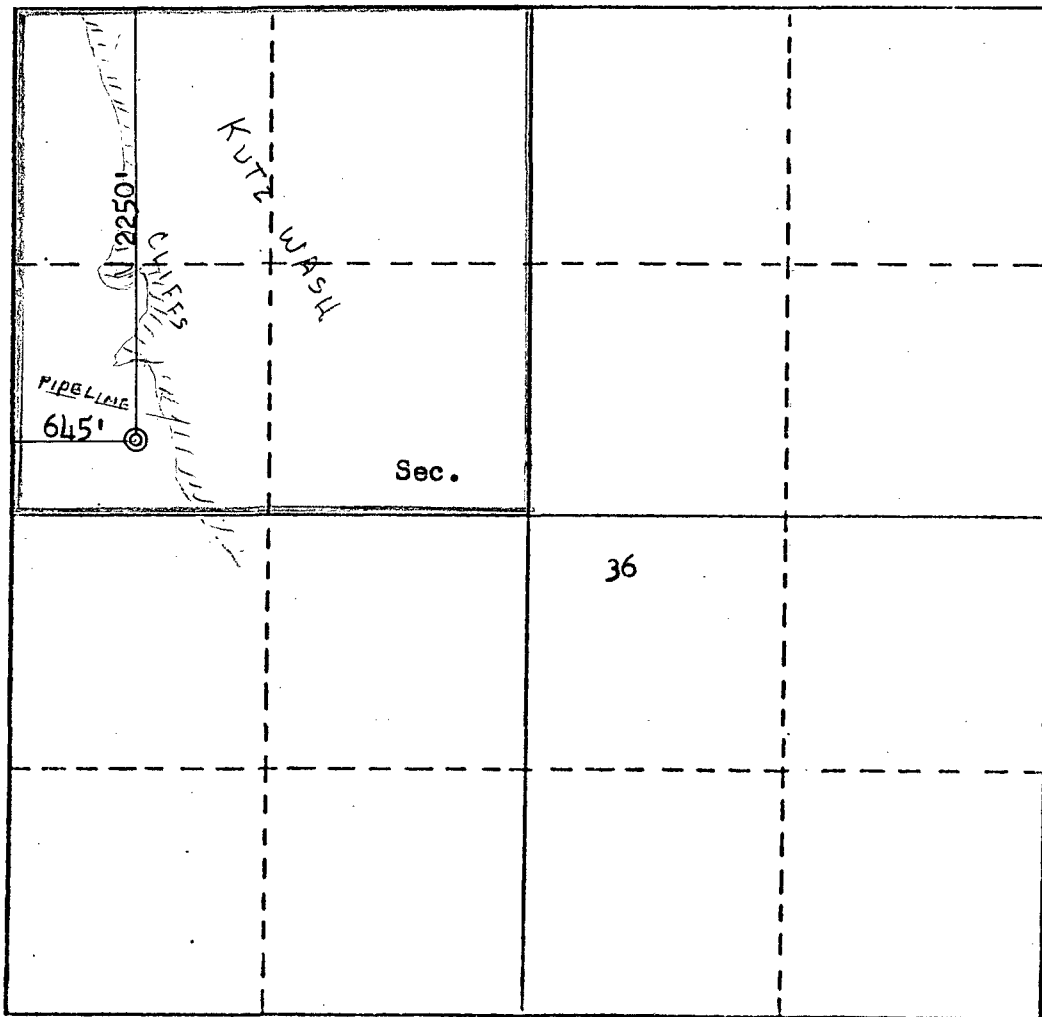
Operator ENERGY RESERVES GROUP		Lease E. L. PIPKIN		Well No. OIL CONSERVATION DIVISION 6	
Unit Letter E	Section 36	Township 28N	Range 11W	County SANTA FE San Juan	
Actual Footage Location of Well: 2250 feet from the North line and 645 feet from the West line					
Ground Level Elev. 5845	Producing Formation Dakota		Pool Basin Dakota		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 Division.



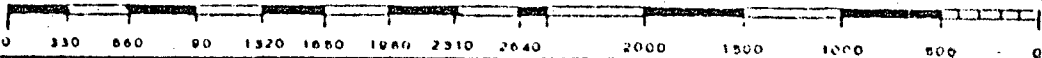
CERTIFICATION

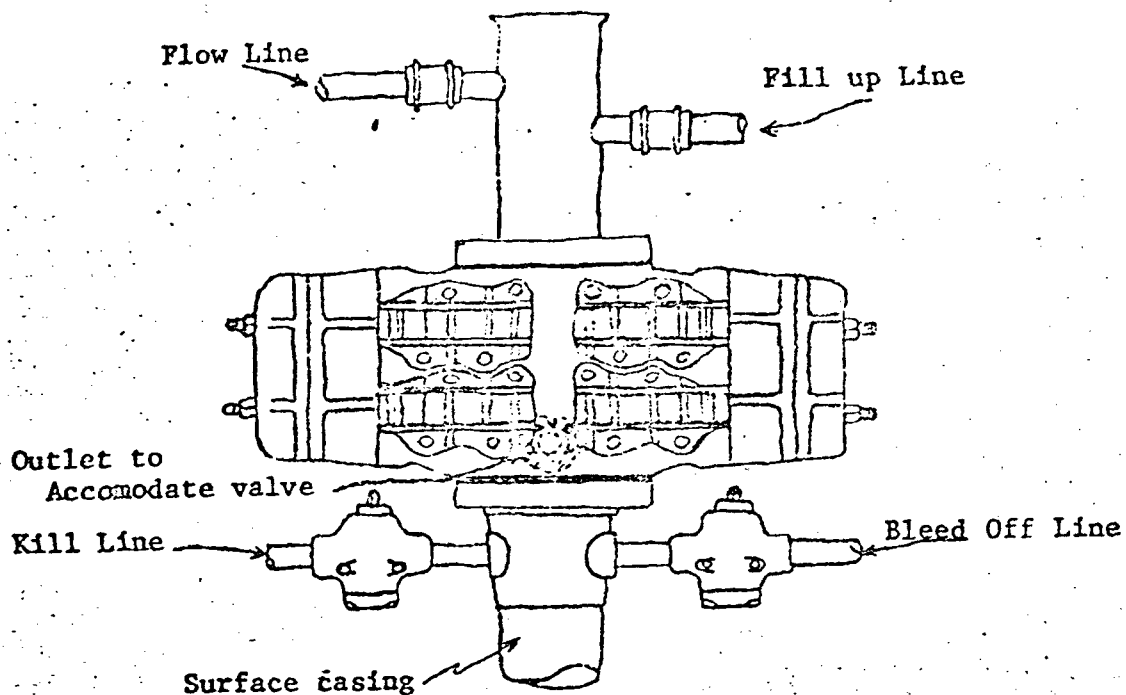
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
William J. Kerr
Position
Field Services Administrator
Company
Energy Reserves Group
Date
September 10, 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
August 11, 1979
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certification No.
3950
FRED B. KERR, JR.





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.

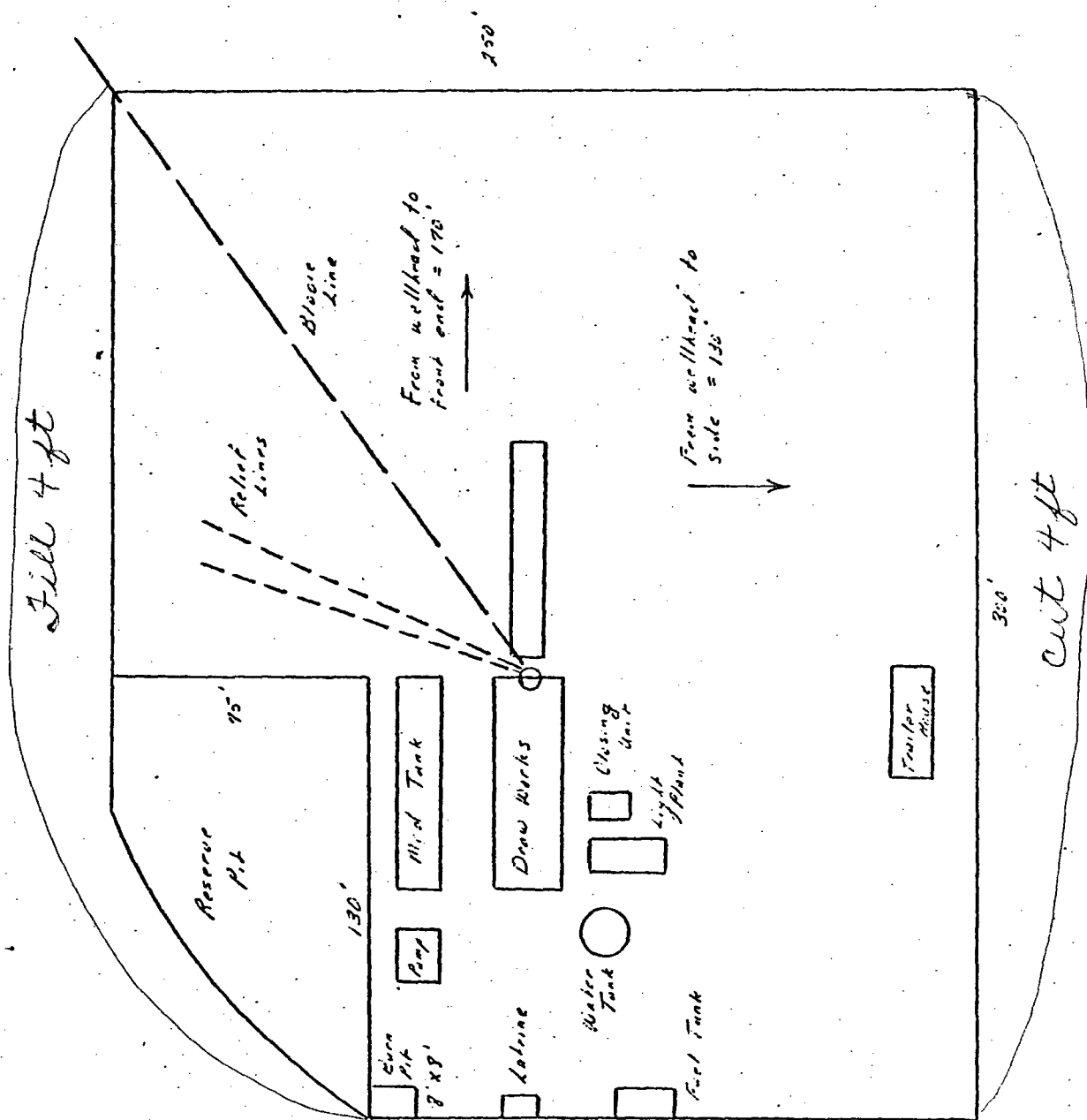
When choke manifold is used, it will be installed downstream from bleed off valve.

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

E. H. Pipkin # 06 NW 36-28-11

NO
↑

Typical Location Plot for Mesa Verde and Dakota Wells



S

Well Name E. H. Pipkin #36 E
Location NW 36 - 28 - 11
Formation Dakota

We, the undersigned, have inspected this location and road.

U. S. Forest Service
Dabney Ford
Archaeologist

Date
9/5/79
Date

Bureau of Indian Affairs Representative

Date

Bob Mark
Bureau of Land Management Representative

9/5/79
Date

B. W. Hickey
U. S. Geological Survey Representative

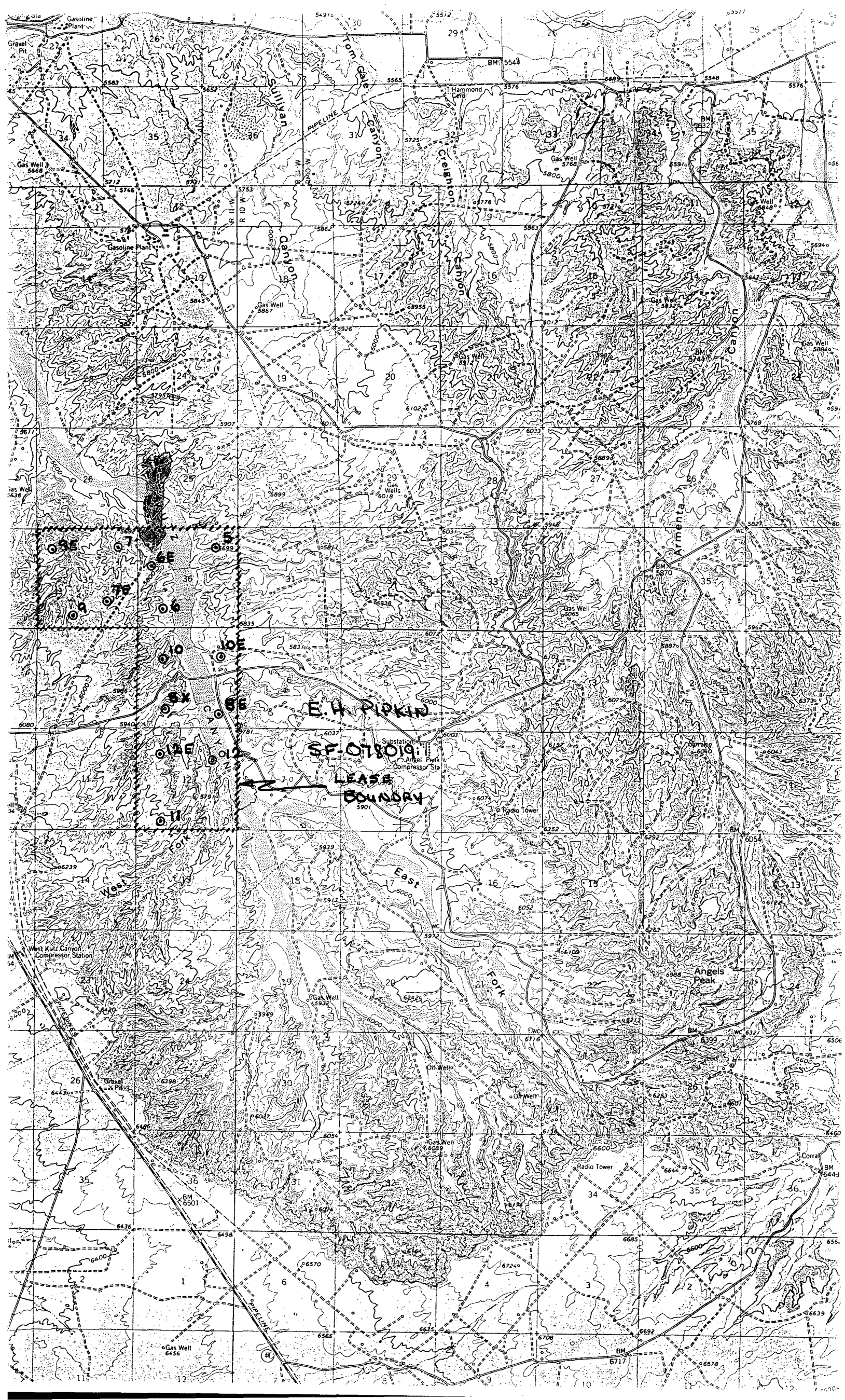
9-5-79
Date

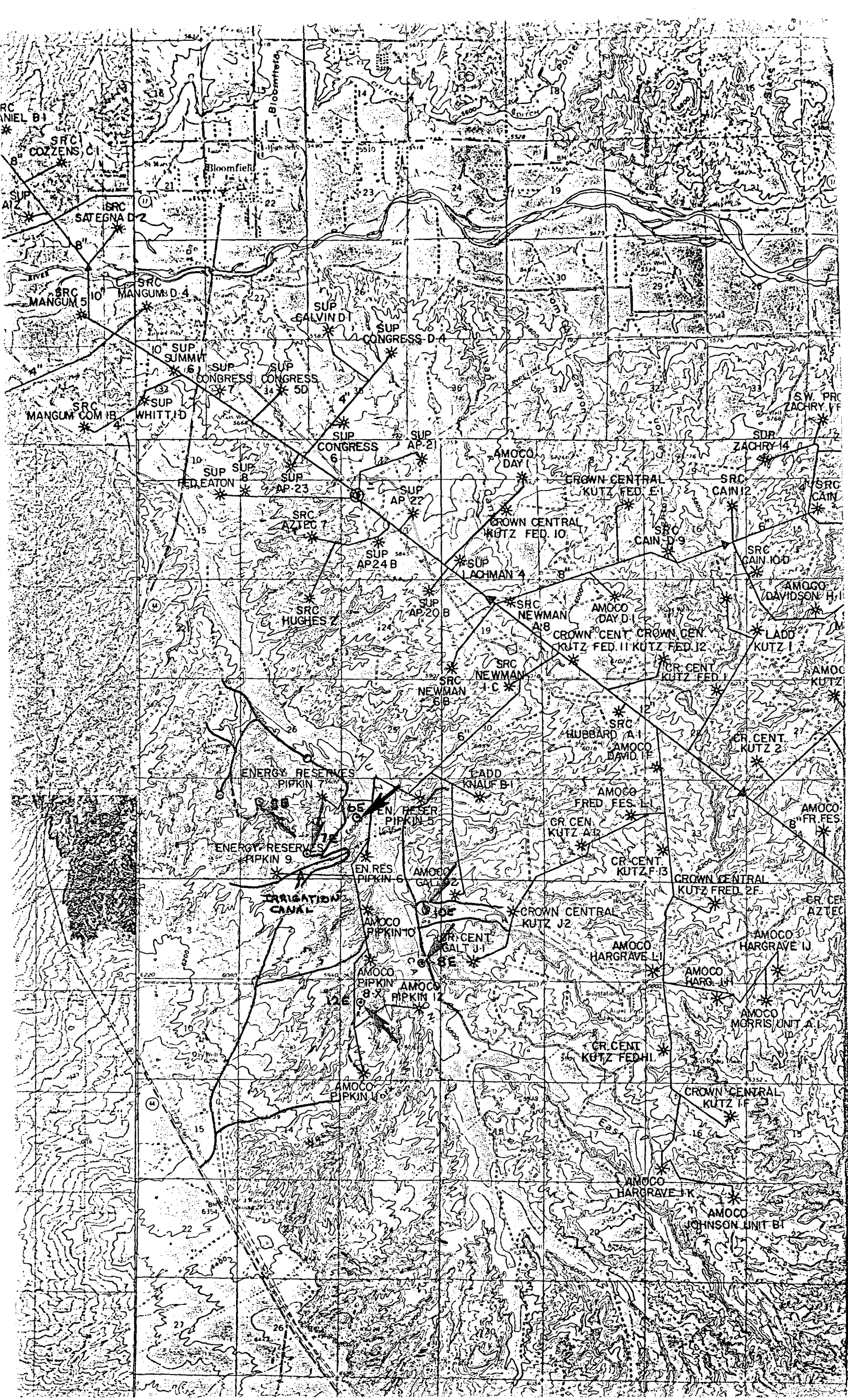
Seed Mixture: II

Equipment Color: Brown

Road and Row: (Same) or (Separate)

Remarks: _____







STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

September 13, 1979

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 82601

Re: Application for Non-Standard
Location: E. H. Pipkin No. 6-E
2250' FNL and 645' FWL of Sec. 36,
T-27N-R-11W, San Juan County

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.
- ☐ A statement must be submitted that offset owners have been notified of the application by certified mail.
- ☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.
- ☒ Other: The lease ownership plat submitted appears to show Amoco as an offset operator to the south. Amoco was not notified of the application.

*Phone call
from Bill Fiant
9-17-79
Plot in Error
all is Energy
Reserves arrange*

RLS/dr

Very truly yours

R. L. STAMETS
Technical Support Chief