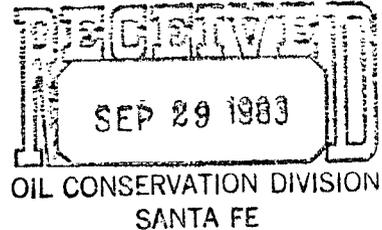


Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602-3280
307 265 7331



September 26, 1983

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



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.

E. H. Pipkin No. G-3
1450' FSL & 700' FWL
Section 12 T27N-R11W
Federal Lease SF-078019

This well is a proposed Gallup well at a depth of 5975'. 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. Because the original location for this well would have required excessive work on an access road and the location itself, it 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.

A handwritten signature in cursive script that reads "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

2. NAME OF OPERATOR

Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR

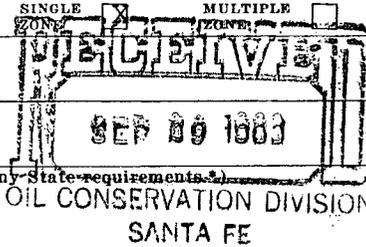
P.O. Box 3280 Casper, Wyoming 82602

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

At surface

1450' FSL & 700' FWL

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-3

10. FIELD AND POOL, OR WILDCAT

Unnamed Gallup

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

Sec. 12 T27N-R11W

12. COUNTY OR PARISH 13. STATE

San Juan

New Mexico

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

Approximately 9 miles south of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 700'

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.

385'

19. PROPOSED DEPTH

5975'

20. ROTARY OR CABLE TOOLS

Rotary

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

G. L. - 5994' 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"	26# & 29#	5340'	Cement to surface
6"	4 1/2" (lnr.)	10.5#	5190'- 5975'	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 completion 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 10-1-78

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

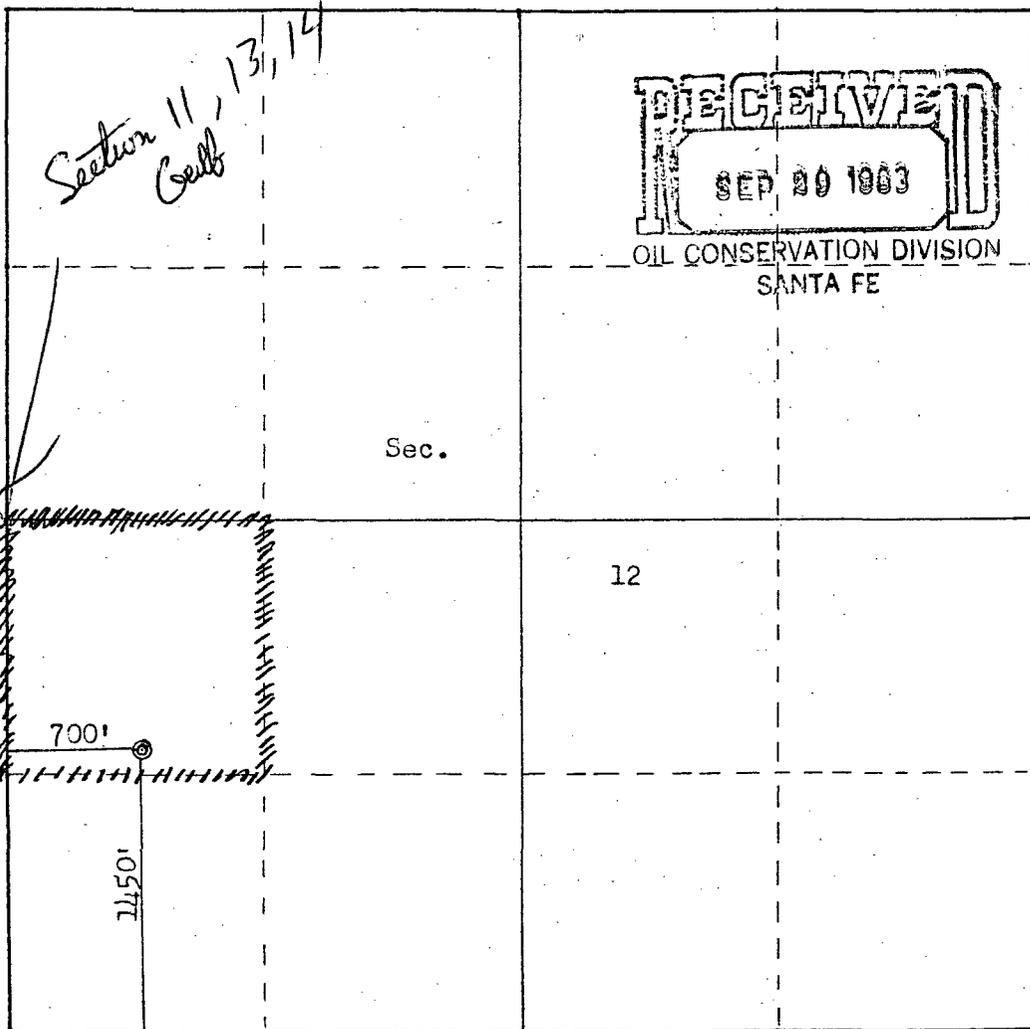
Operator ENERGY RESERVES GROUP, INC.			Lease E. H. PIPKIN "G"		Well No. 3
Unit Letter L	Section 12	Township 27N	Range 11W	County San Juan	
Actual Footage Location of Well: 1450 feet from the South line and 700 feet from the West line					
Ground Level Elev: 5994	Producing Formation Gallup		Pool Unnamed 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.



Scale: 1"=1000'

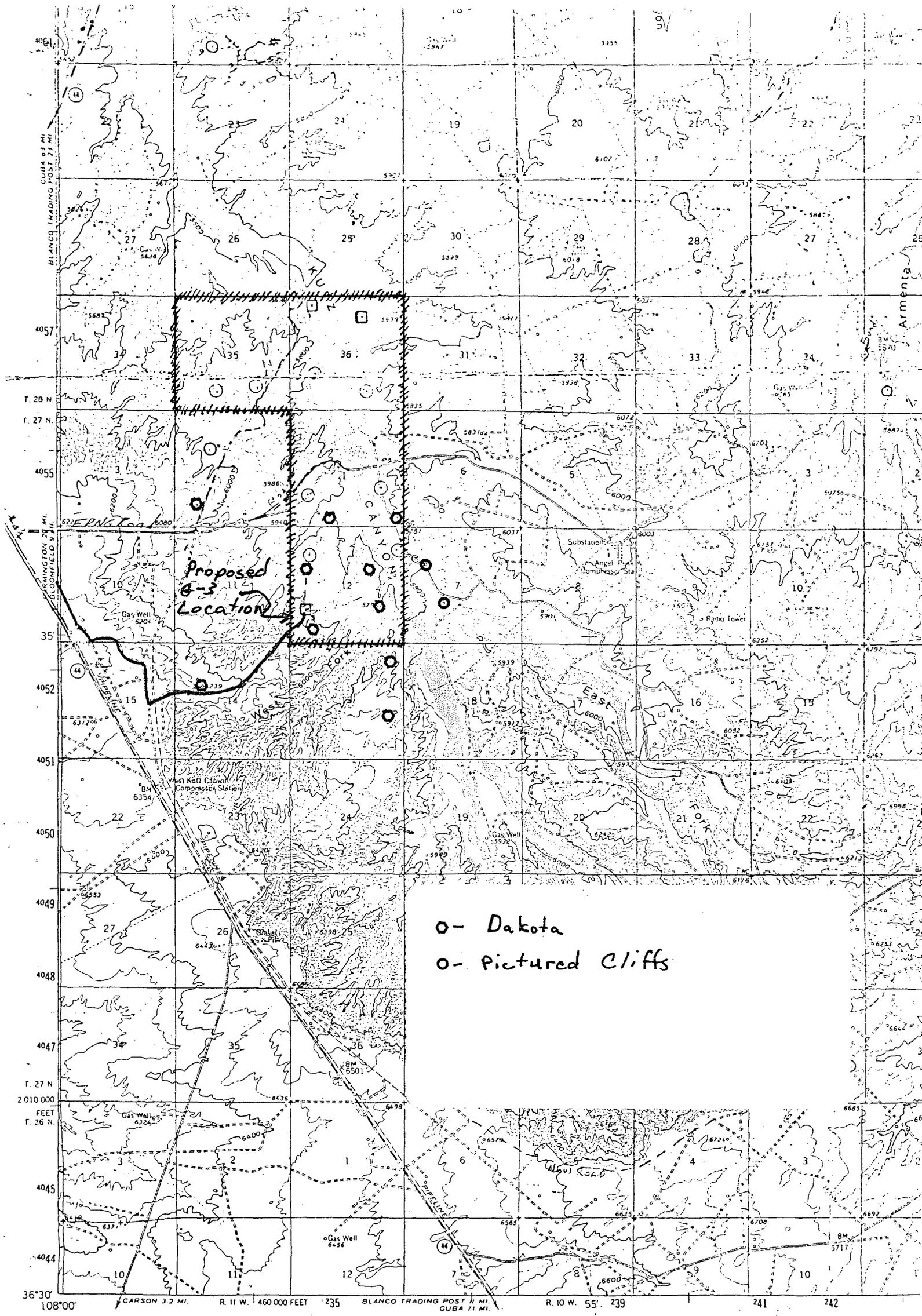
CERTIFICATION

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 15, 1983
Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
Certificate No. 3950



○ - Dakota
 ○ - Pictured Cliffs

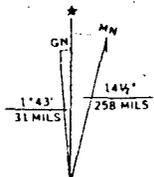
Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

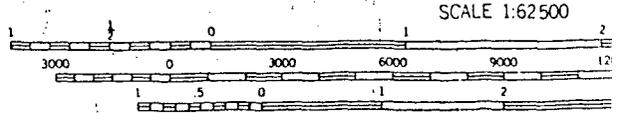
Topography by photogrammetric methods from aerial photographs taken 1955. Field checked 1960

Polyconic projection. 1927 North American datum
 10,000-foot grid based on New Mexico coordinate system, west zone

1000-meter Universal Transverse Mercator grid ticks, zone 13, shown in blue



UTM GRID AND 1960 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

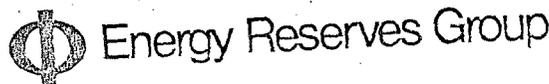


SCALE 1:62500
 CONTOUR INTERVAL 40 FEET
 DATUM IS MEAN SEA LEVEL

ENERGY RESERVES GROUP, INC. #3 E. H. PIPKIN "G" THIS MAP COMPLIES WITH NATIONAL MAP ACC
 1450' FSL 700' FWL Sec. 12-T27N-R11W FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO
 SAN JUAN COUNTY, NEW MEXICO A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SY 4B

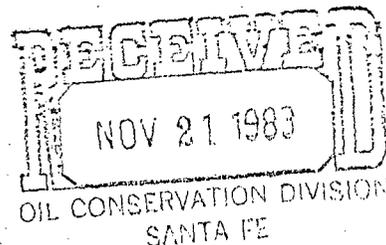
File in HSL - 1768

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
Santa 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".

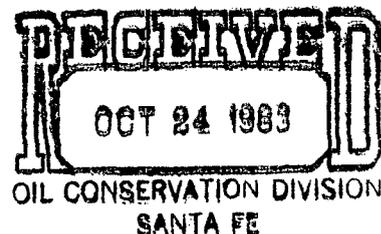
Paul Bertoglio
Production Engineer
Rocky Mountain District

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 G-3
Section 12-T27N-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.

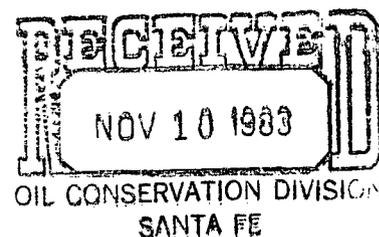
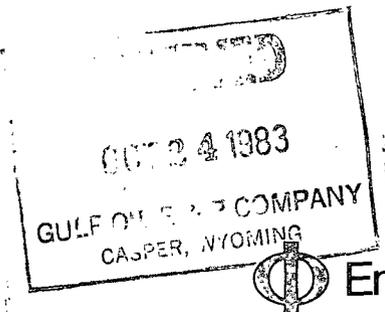
Sincerely yours,
ENERGY RESERVES GROUP, INC.

Paul Bertoglio

Paul Bertoglio
Production Engineer
Rocky Mountain District

cc: Well File

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



Energy Reserves Group

October 21, 1983

Gulf Oil Exploration & Production Co.
Box 2619
Casper, WY 82602

El Paso Natural Gas Company
P. O. Box 990
Farmington, NM 87401

Re: Non-Standard Gullup Well location
E. H. Pipkin No. G-3
Section 12, T27N-R11W
San Juan County, New Mexico

Gentlemen:

In accordance with New Mexico Oil Conservation Division Rule 104 F-IV, Energy Reserves Group, Inc. is hereby notifying you that it has made application to drill the subject well on an unorthodox location. The exact footage of the well is:

E. H. Pipkin No. G-3
1450' FSL and 700' FWL
Sec. 12, T27N-R11W

The attached topo map shows your leases in relationship to the proposed well.

This location was staked on non-standard footages due to topography. As shown by the topo map, the Kutz Canyon Wash runs through this lease. Terrain around this wash is deeply eroded sandstone with narrow ridges and numerous washes. In order to drill this well on standard location, excessive surface disturbance would have been necessary.

If you have no objection to this location, please sign and return the attached waiver to the New Mexico Oil Conservation Division in Santa Fe, New Mexico. As stated in Rule 104 F-IV, failure to notify the New Mexico Oil Conservation Division within 20 days of the receipt of this letter will also be taken as your approval of the said locations.

Thank you.

Sincerely yours,

ENERGY RESERVES GROUP, INC.

Paul Bertoglio
Production Engineer
Rocky Mountain District

PB/kw

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-3
Section 12 T27N-R11W
San Juan County, New Mexico


J. R. Frank
Name

Gulf Oil Corporation
Company

Chief Proration Engineer
Title

November 4, 1983
Date



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 11, 1983

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Energy Reserves Group
P. O. Box 3280
Casper, Wyoming 82602-3280

Re: Application for Non-Standard
Location: E. H. Pipkin No. G-3

Sec. 12, T-27-N, R-11W, Gallup Oil

Well, San Juan County, NM

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, in section 11.

A statement must be submitted that offset owners have been notified of the application by certified mail. (if any)

A plat must be submitted fully identifying the topography necessitating the non-standard location.

Other:

Very truly yours

R. L. STAMETS
Technical Support Chief

RLS/dr



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-6-83

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

RECEIVED
OCT 11 1983
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 9-30-83
for the Energy Resources Group Operator Piziki 6 #3 Lease and Well No. L-12-27N-17W Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

Frank D. Chung



STATE OF NEW MEXICO
 ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
 AZTEC, NEW MEXICO 87410
 (505) 334-6178

OIL CONSERVATION DIVISION
 BOX 2088
 SANTA FE, NEW MEXICO 87501

RECEIVED
 OCT 11 1983
 OIL CONSERVATION DIVISION
 SANTA FE

DATE 10-6-83

RE: Proposed MC _____
 Proposed DHC _____
 Proposed NSL X _____
 Proposed SWD _____
 Proposed WFX _____
 Proposed PMX _____

Gentlemen:

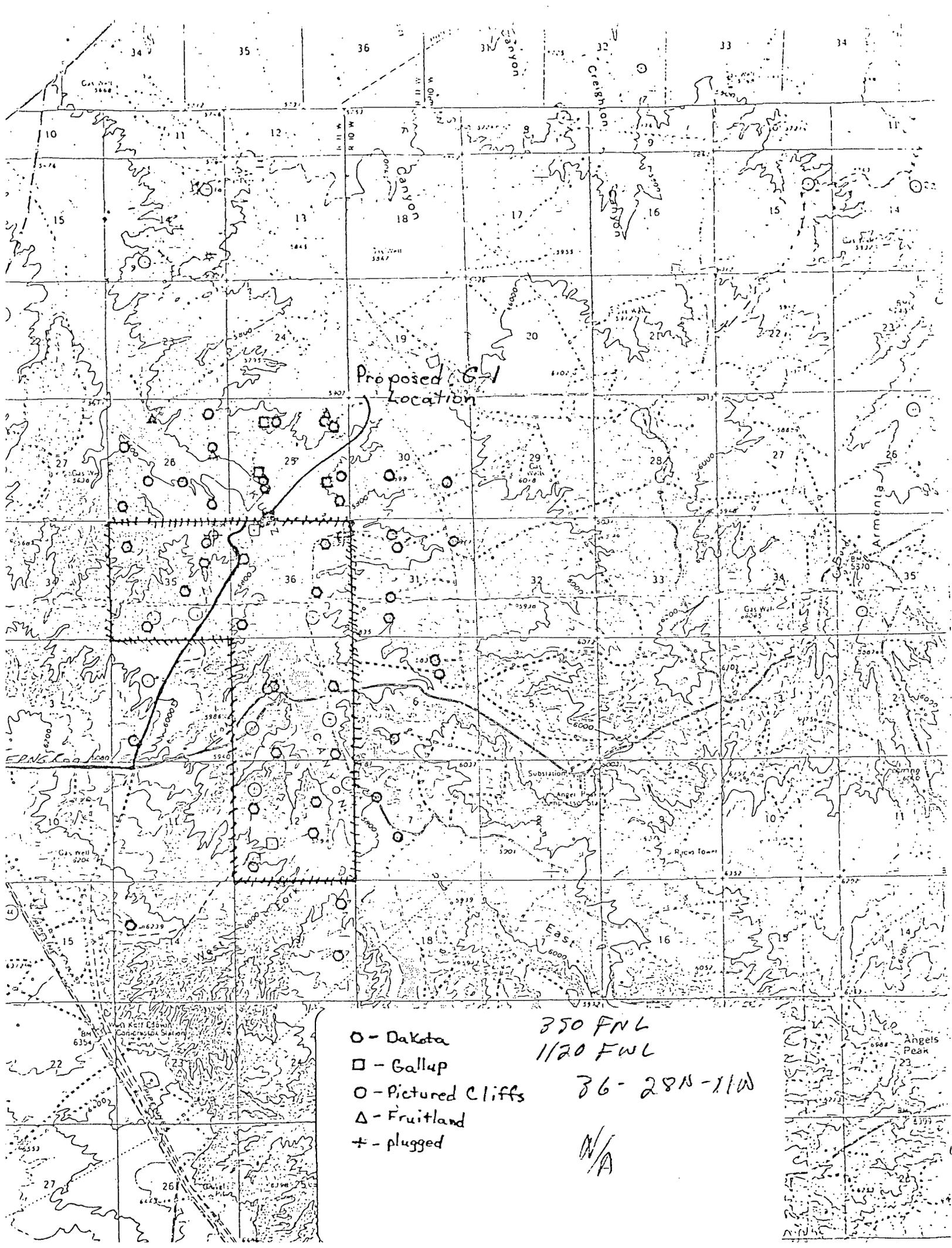
I have examined the application dated 9-30-83
 for the Energy Reserves Group Pipkin G-1 D-36-28N11W
 Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approved

Yours truly,

Jim Beach



Proposed G/L Location

- - Dakota
- - Gallup
- - Pictured Cliffs
- △ - Fruitland
- + - plugged

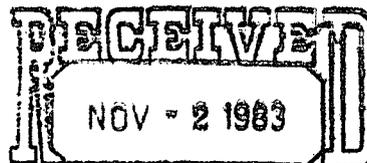
350 FNL
1120 FNL

36-28N-11W

N/A

Angels Peak

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



OIL CONSERVATION DIVISION
SANTA FE

Energy Reserves Group

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

E. H. Pipkin No. G-3
Section 12 T27N-R11W
San Juan County, New Mexico

Donald R. Reed
Name

El Paso Exploration Co.
Company

Regional Manager of Prod.
Title

10-28-83
Date



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-6-83

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

RECEIVED
OCT 11 1983

OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

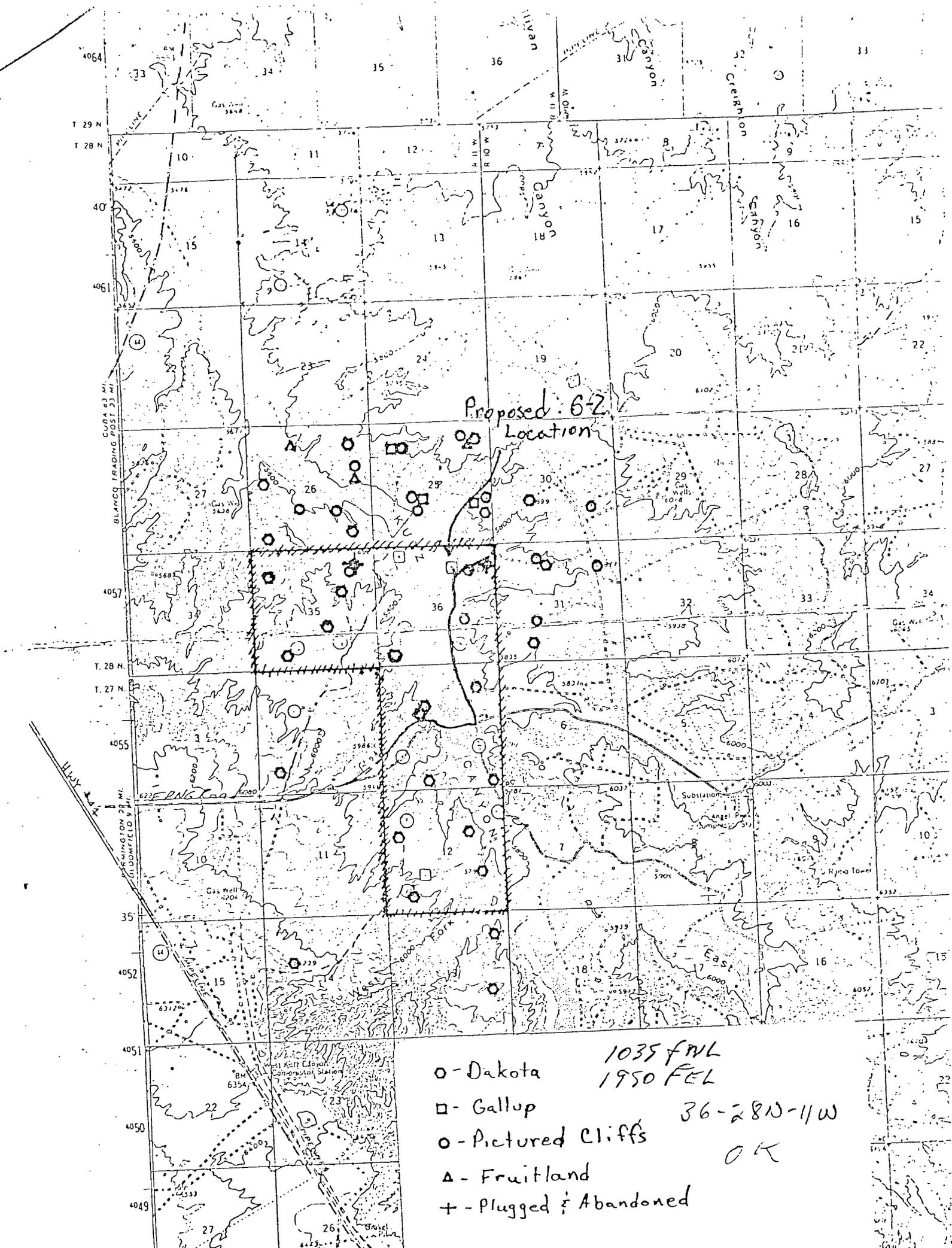
I have examined the application dated 9-30-83
for the Energy Reserves Group Pipkin G-2 B-36-28N-11W
operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approved

Yours truly,

Eric Beaud



Proposed 6-2 Location

- - Dakota
 - - Gallup
 - - Pictured Cliffs
 - △ - Fruitland
 - + - Plugged & Abandoned
- 1035 FVL
1950 FEL
36-28N-11W
OK