

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



April 29, 1982

State of New Mexico  
Oil Conservation Division  
Box 2088  
Santa Fe, New Mexico 87501

Re: Request for Unorthodox Well Location:  
Gallegos Canyon Unit, San Juan County,  
New Mexico

Gentlemen:

Energy reserves Group, Inc. respectfully requests approval of the below referenced well location.

Gallegos Canyon Unit, Well No. 331  
1875' FNL 640' FWL  
Section 29, T29N-R12W  
San Juan County, New Mexico  
Fee Lease - L.V. Goff et ux

This proposed well is to be drilled to the Pictured Cliffs Formation at a depth of 1365'. Energy Reserves Group, Inc. is the sub operator of the Gallegos Canyon Unit which includes all formations above the base of the Pictured Cliffs Formation. Attached is a map delineating the Gallegos Canyon Unit boundry and the Pictured Cliffs participating area.

This location is situated along the San Juan River bottom approximately 250' North of the current flow channel. Amoco Production Company has constructed an access road and well pad into their well No. 173-E located approximately 100' West of our proposed site. The area was elevated by hauling approximately 3' to 4' of fill material to eliminate flooding during periods of high run off. It is proposed to extend their pad a sufficient distance to allow for rig placement and safety of operations.

In addition, there are private residences located to the Northeast of the well which would prevent moving the site to the orthodox location.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<i>Energy Reserves Group</i>	EXHIBIT NO. <u>1</u>
CASE NO.	<u>8032</u>



We would appreciate your review of our request based upon the topographic conflicts.

Very truly yours,

ENERGY RESERVES GROUP, INC.

A handwritten signature in black ink, appearing to read "William J. Fiant".

William J. Fiant  
Field Services Administrator

WJF/ef

cc: State of New Mexico  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87401

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name Gallegos Canyon Unit 8. Firm or Lease Name L. V. Goff et ux 9. Well No. 331 10. Field and Pool, or Wildcat West Kutz Pictured Cliffs	
2. Name of Operator Energy Reserves Group, Inc.		12. County San Juan	
3. Address of Operator Box 3280, Casper, Wyoming 82602			
4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>1875'</u> FEET FROM THE <u>North</u> LINE AND <u>640</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>29</u> TWP. <u>29N</u> RGE. <u>12W</u> NMPM			
		19. Proposed Depth 1365'	19A. Formation Pictured Cliffs
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DT, RT, etc.) 5303' GR	21A. Kind & Status Plug. Bond blanket	21B. Drilling Contractor James Drilling Co.	22. Approx. Date Work will start Summer, 1982

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
9-7/8"	7"	17#	100'±	Cement to surface	
6-1/4"	4-1/2"	9.5#	1365'±	Cement to surface	

It is proposed to drill the above referenced well with rotary tools from the surface to T.D. Production casing will be cemented to the surface so as to seal off the Ojo Alamo Formation. BOE will consist of a Regan 8" annular type preventor pressure tested to 500 psi.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed William J. Adams Title Field Services Administrator Date May 4, 1982  
(This space for State Use)

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-102  
Revised 10-1-78

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

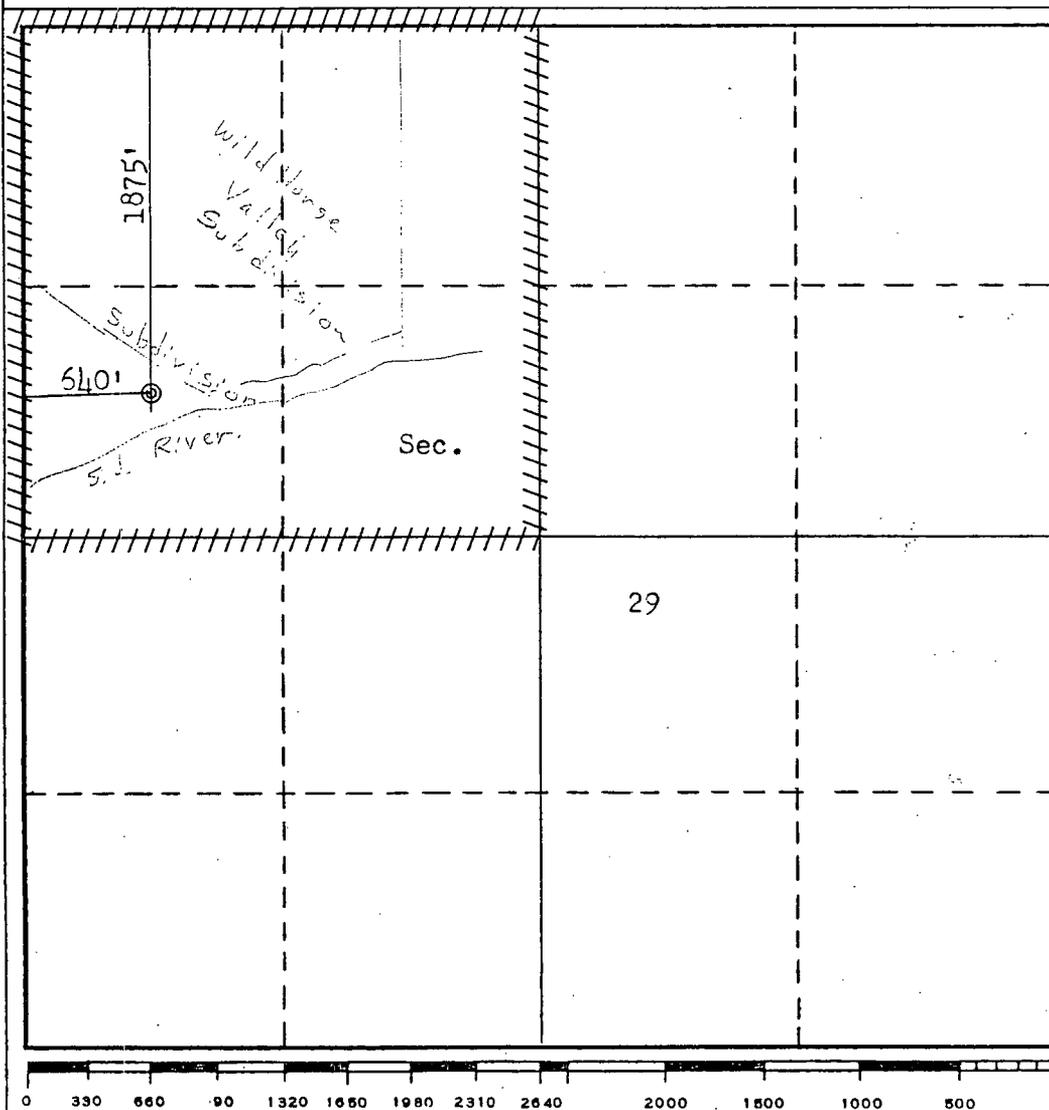
Operator ENERGY RESERVES GROUP, INC.		Lease GALLEGOS CANYON UNIT			Well No. 331
Unit Letter E	Section 29	Township 29N	Range 12W	County San Juan	
Actual Footage Location of Well: 1875 feet from the North line and 640 feet from the West line					
Ground Level Elev. 5303	Producing Formation Pictured Cliffs		Pool West 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.

Name  
*William J. [Signature]*  
Position  
Field Services Administrator  
Company  
Energy Reserves Group, Inc.  
Date  
May 4, 1982

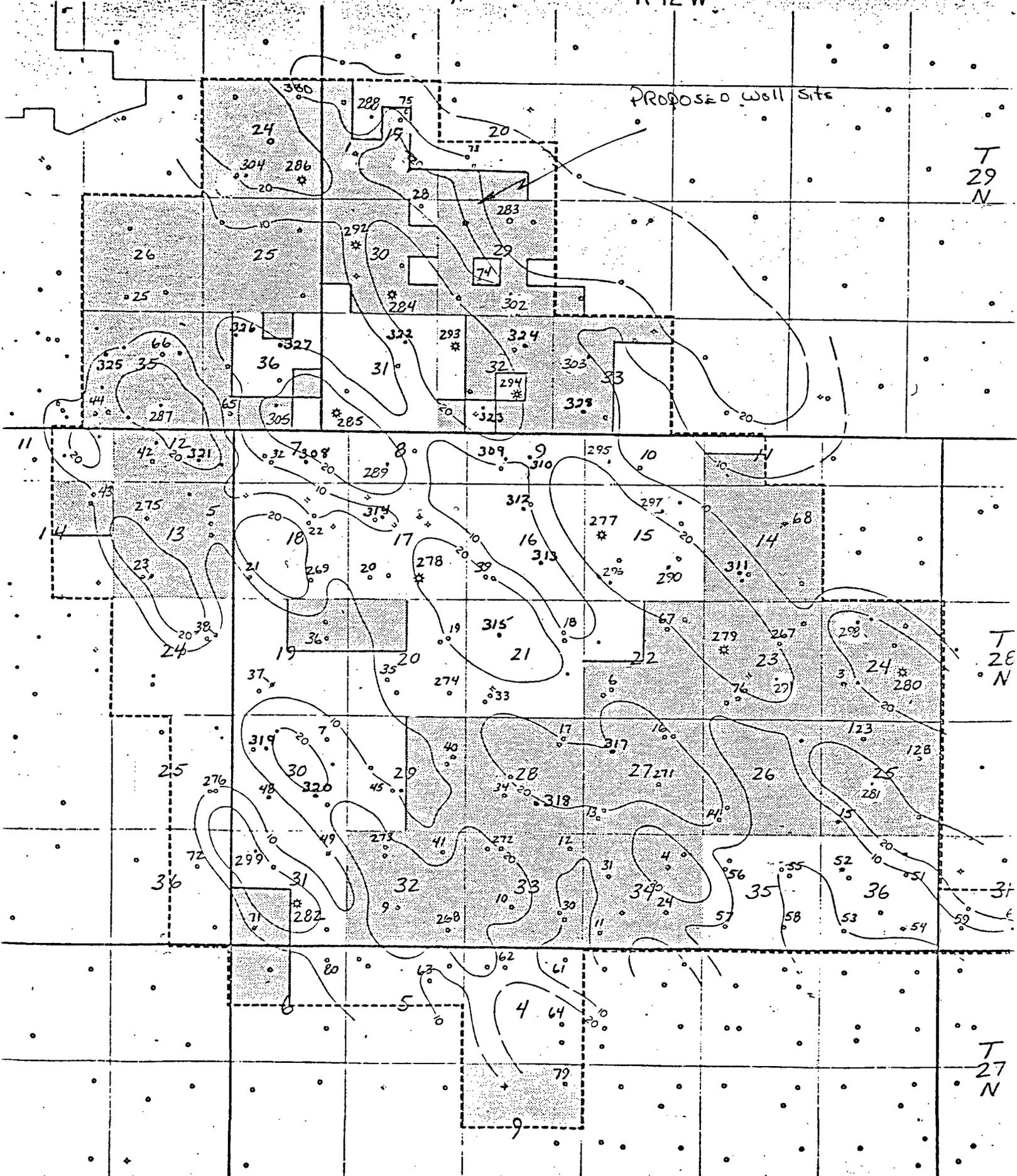
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
April 29, 1982  
Registered Professional Engineer and/or Land Surveyor  
*[Signature]*  
Fred B. Kerr Jr.  
Certificate No.  
3950

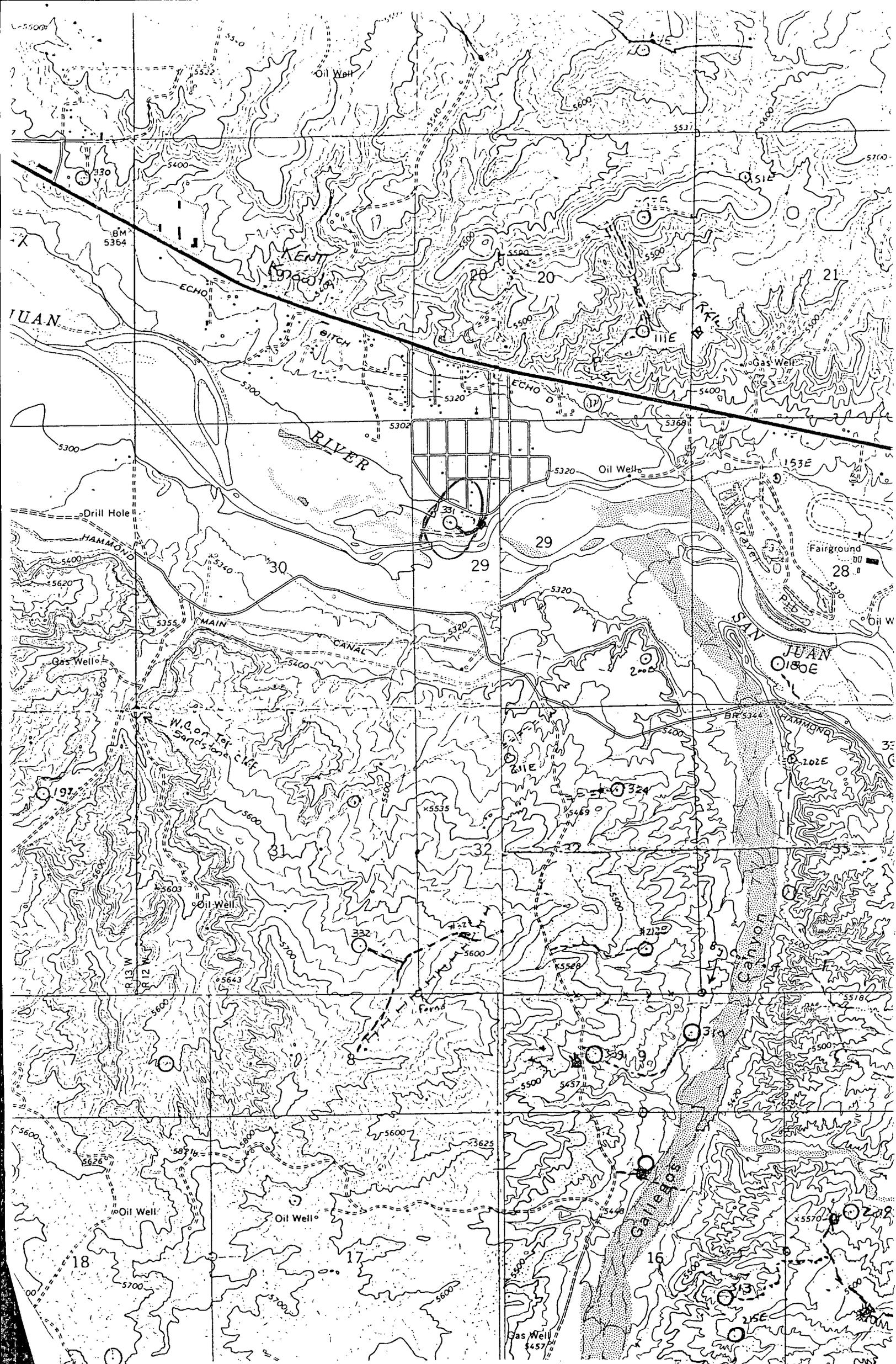
GALLEGOS CANYON UNIT - PICTURED CLIFFS  
San Juan County, New Mexico

R 13 W

R 12 W



Note: Unnumbered wells are not Unit-Pictured Cliffs wells.



Vicinity Map for  
 ENERGY RESERVES GROUP INC. #331 GALLEGOS CANYON UNIT  
 1875' FNL 640' FWL Sec. 29-T29N-R12W  
 SAN JUAN COUNTY, NEW MEXICO

Oil Well

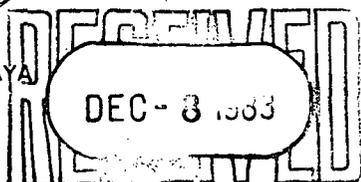
Gallegos Spring



TONEY ANAYA  
GOVERNOR

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

RMD CASPER

This application has been approved with the following conditions:

1. Trash is to be taken to a sanitary landfill, not buried at the wellsite, unless approved by the landowner.
2. Wells which produce oil during cleanup and testing shall be flowed through a separator and the oil recovered in a tank.
3. Cement quantities shall be reported in cubic feet on all reports, with a description of additives and different slurries used.
4. Casing and cementing reports must show water shut-off test, as required by Rule 107(c).
5. Reports of commencement of drilling operations must be filed within 10 days of spud, as required by Rule 1103.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<i>Energy Reserves Group</i>	EXHIBIT NO. <u>2</u>
CASE NO.	<u>8032</u>



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

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

Operator <b>ENERGY RESERVES GROUP, INC.</b>			Lease <b>GALLEGOS CANYON UNIT</b>		Well No. <b>331</b>
Unit Letter <b>E</b>	Section <b>29</b>	Township <b>29N</b>	Range <b>12W</b>	County <b>San Juan</b>	

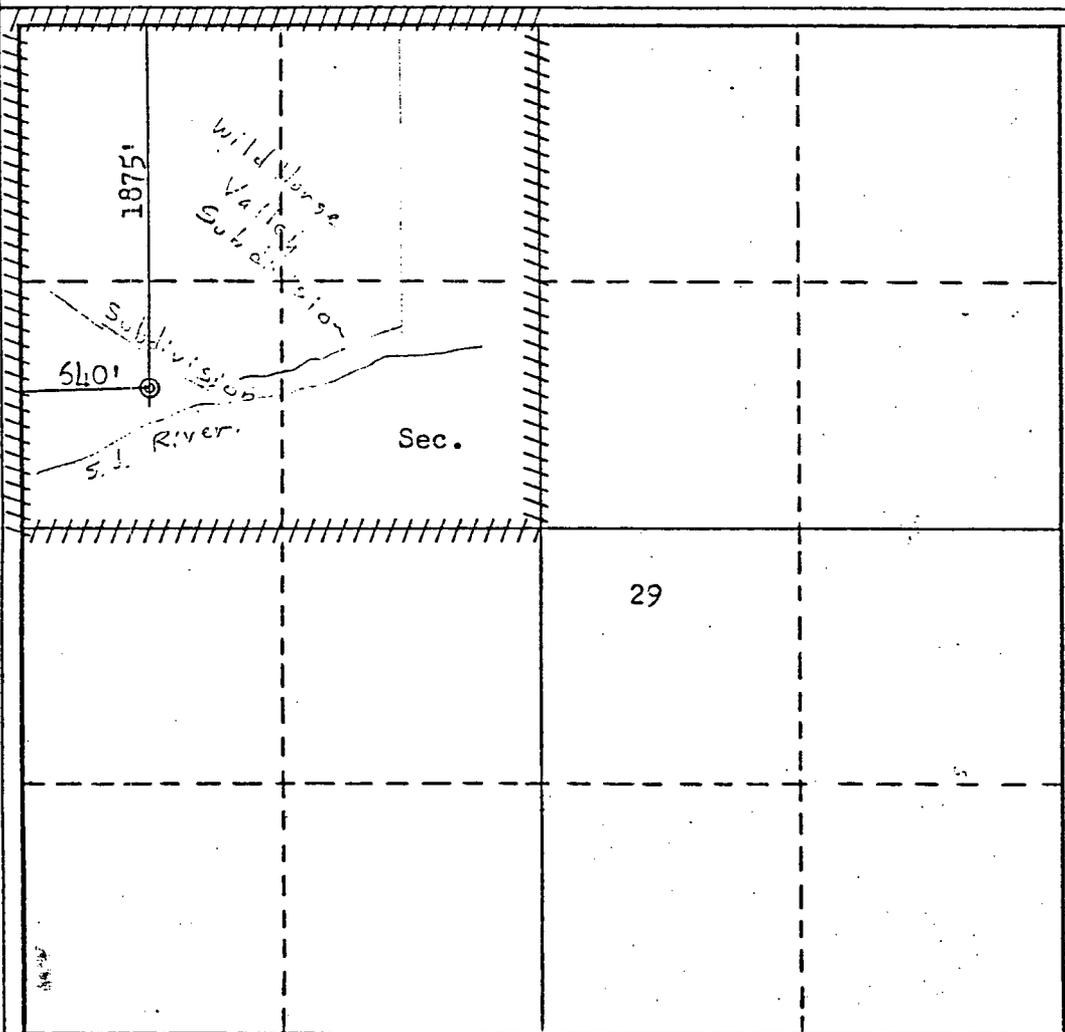
Actual Footage Location of Well:  
**1875** feet from the **North** line and **640** feet from the **West** line  
 Ground Level Elev. **5303** Producing Formation **Pictured Cliffs** Pool **West Kutz Pictured Cliffs** Dedicated Acreage: **160** Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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- 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 J. Kerr  
 Position Field Services Administrator  
 Company Energy Reserves Group, Inc.  
 Date May 4, 1982

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 April 2, 1982  
 Registered Professional Engineer and/or Land Surveyor  
Fred B. Kerr, Jr.  
 Certificate No. 3950

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0