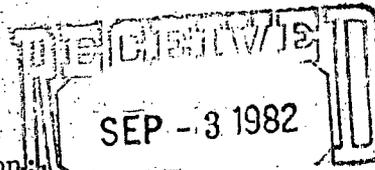


Energy Reserves Group, Inc.
P.O. Box 3280
Casper, Wyoming 82602
Phone 307 265 7331



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

OIL CONSERVATION
SANTA FE

Case 8032

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

*subdivision
Houses or lots*

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.

*location
Some residences
in river bottom -
well will be on old
Amoco pad - pad has
been built up along w/access
road - standard location would
be too close to homes or
would alter river channel !!*



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

Very truly yours,

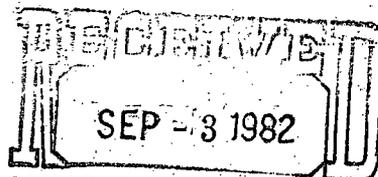
ENERGY RESERVES GROUP, INC.

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



OIL CONSERVATION DIVISION
SANTA FE

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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
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
UNIT LETTER E LOCATED 1875' FEET FROM THE North LINE
AND 640 FEET FROM THE West LINE OF SEC. 29 TWP. 29N RGE. 12W NMPM

7. Unit Agreement Name
Gallegos Canyon Unit

8. Farm or Lease Name
L. V. Goff et ux

9. Well No.
331

10. Field and Pool, or Wildcat
West Kutz Pictured Cliffs

12. County
San Juan

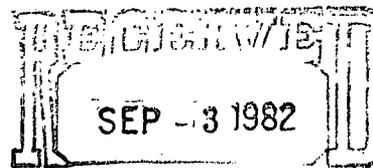
19. Proposed Depth 1365' 19A. Formation Pictured Cliffs 20. Rotary or C.T. Rotary

21. Elevations (Show whether DF, 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.



OIL CONSERVATION DIVISION
SANTA FE

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 [Signature] 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.

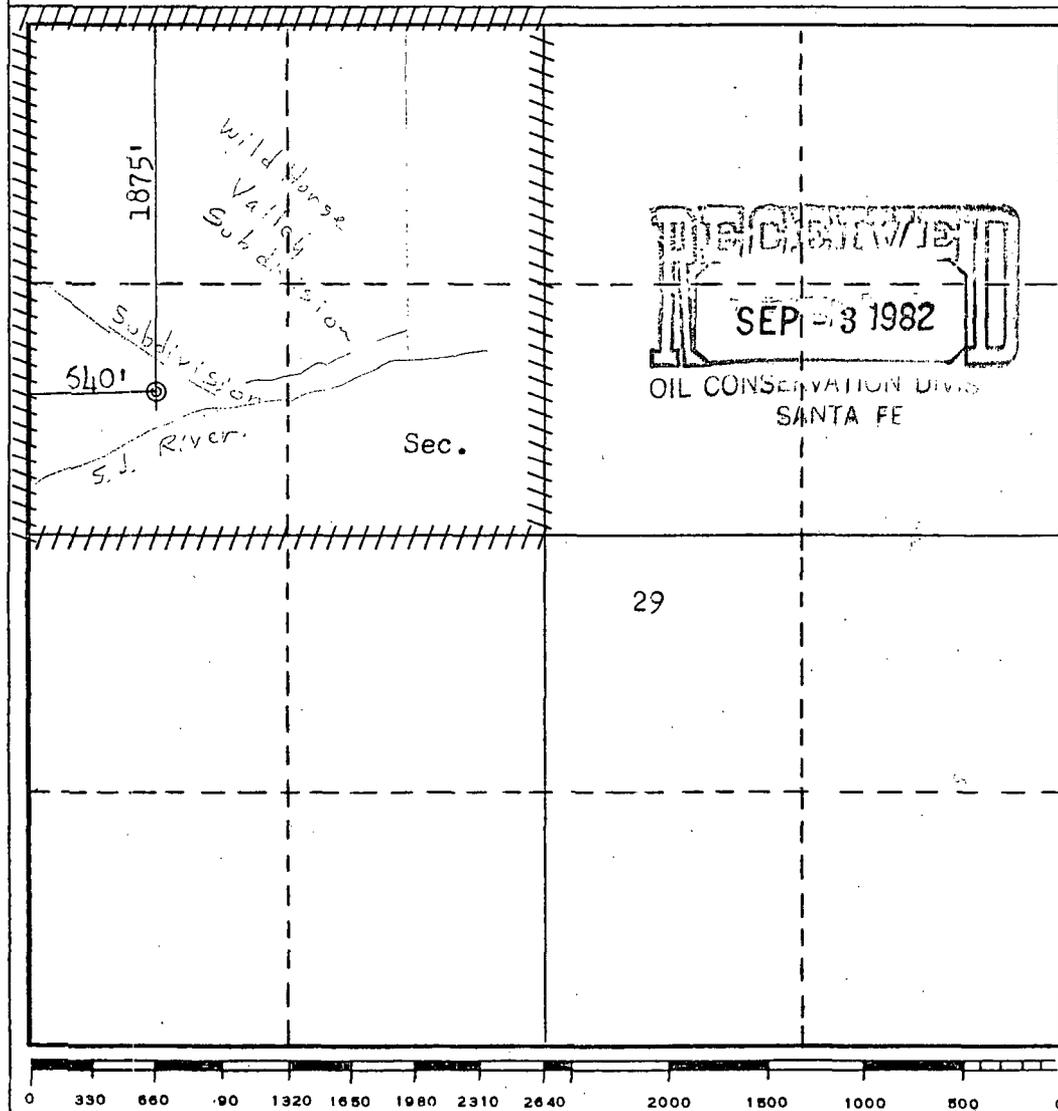
Operator ENERGY RESERVES GROUP, INC.		Lease GALLEGOS CANYON UNIT		Well No. 331
Unit Letter E	Section 29	Township 29N	Range 12W	County San Juan
Actual Footage Location of Well: 1875 feet from the North line and 640 feet from the West line				
Ground Level Elev. 5303	Producing Formation Pictured Cliffs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

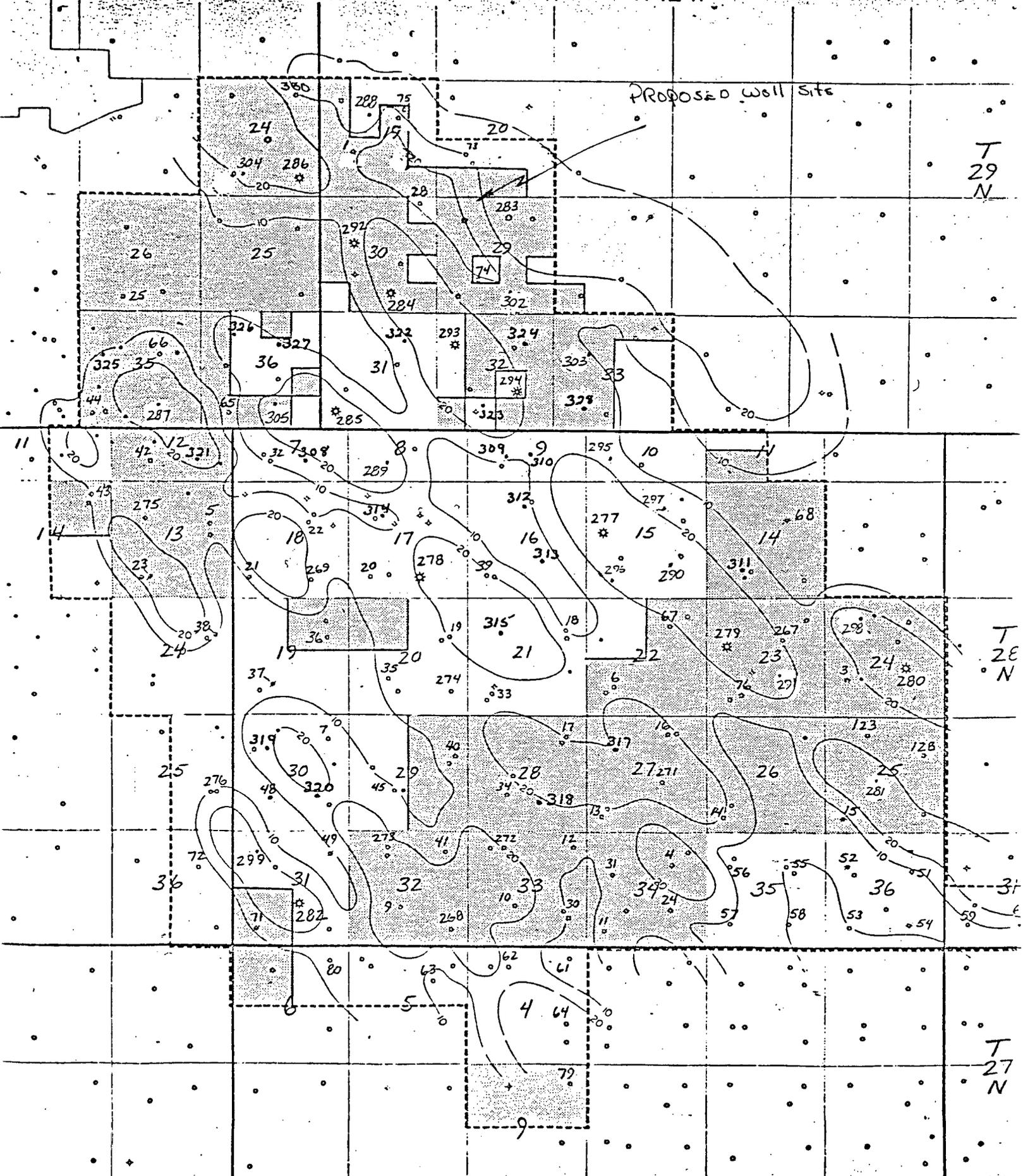
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: April 2, 1982
 Registered Professional Engineer and/or Land Surveyor: *[Signature]*
 Fred B. Kerr Jr.
 Certificate No.: 3950

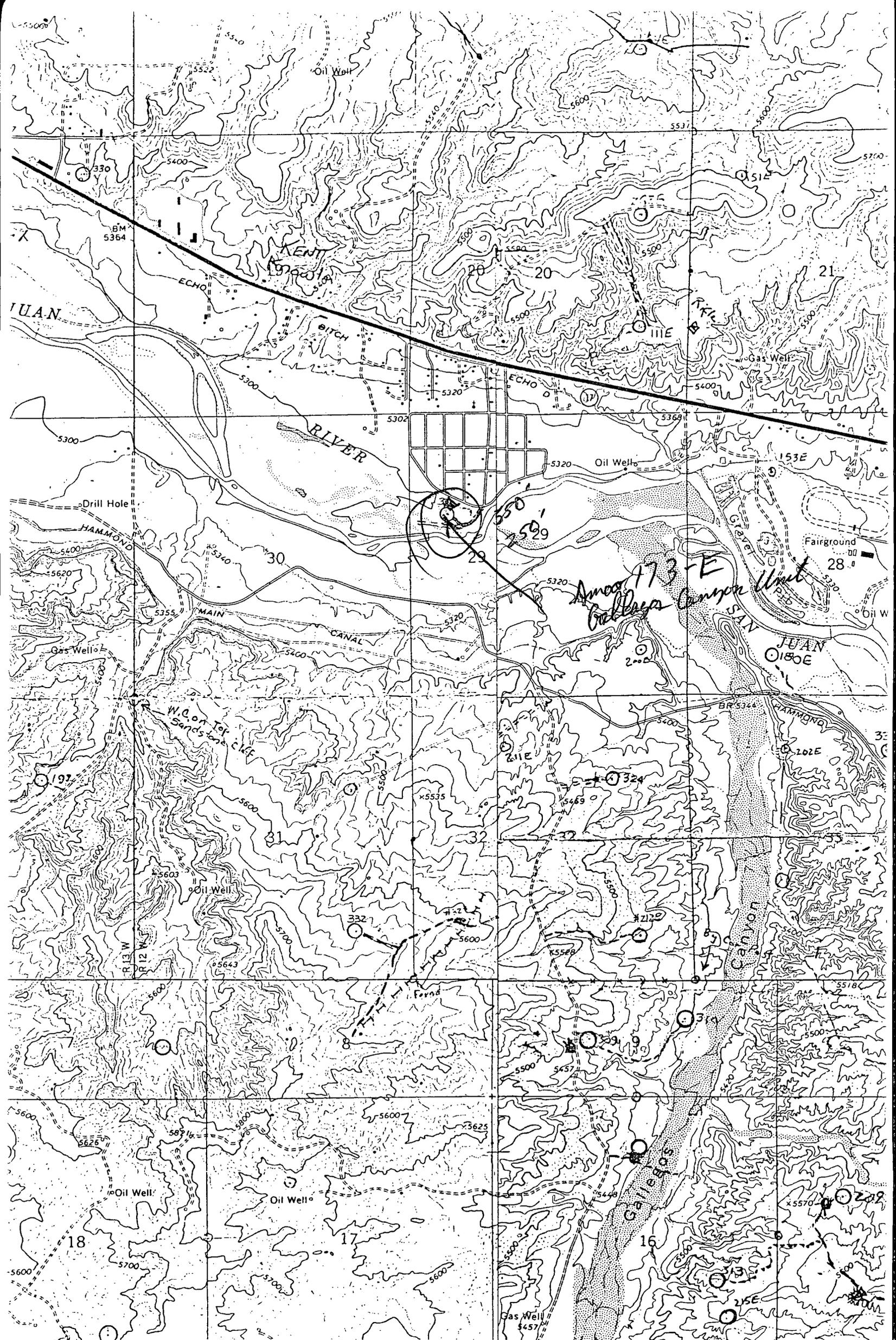
GALLEGOS CANYON UNIT - PICTURED CLIFFS
San Juan County, New Mexico

R 13 W

R 12 W

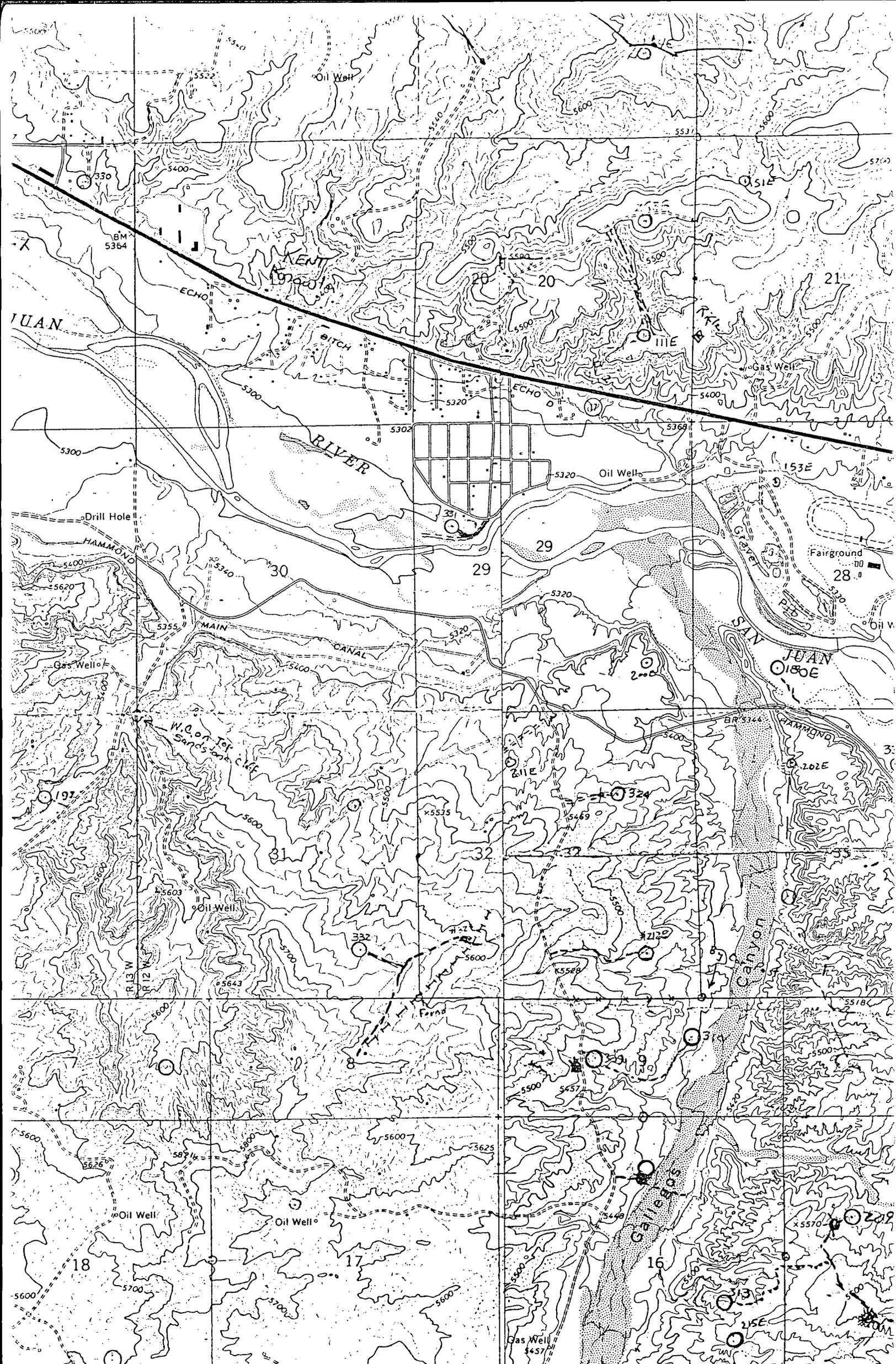


Note: Unnumbered wells are not Unit-Pictured Cliffs wells.



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

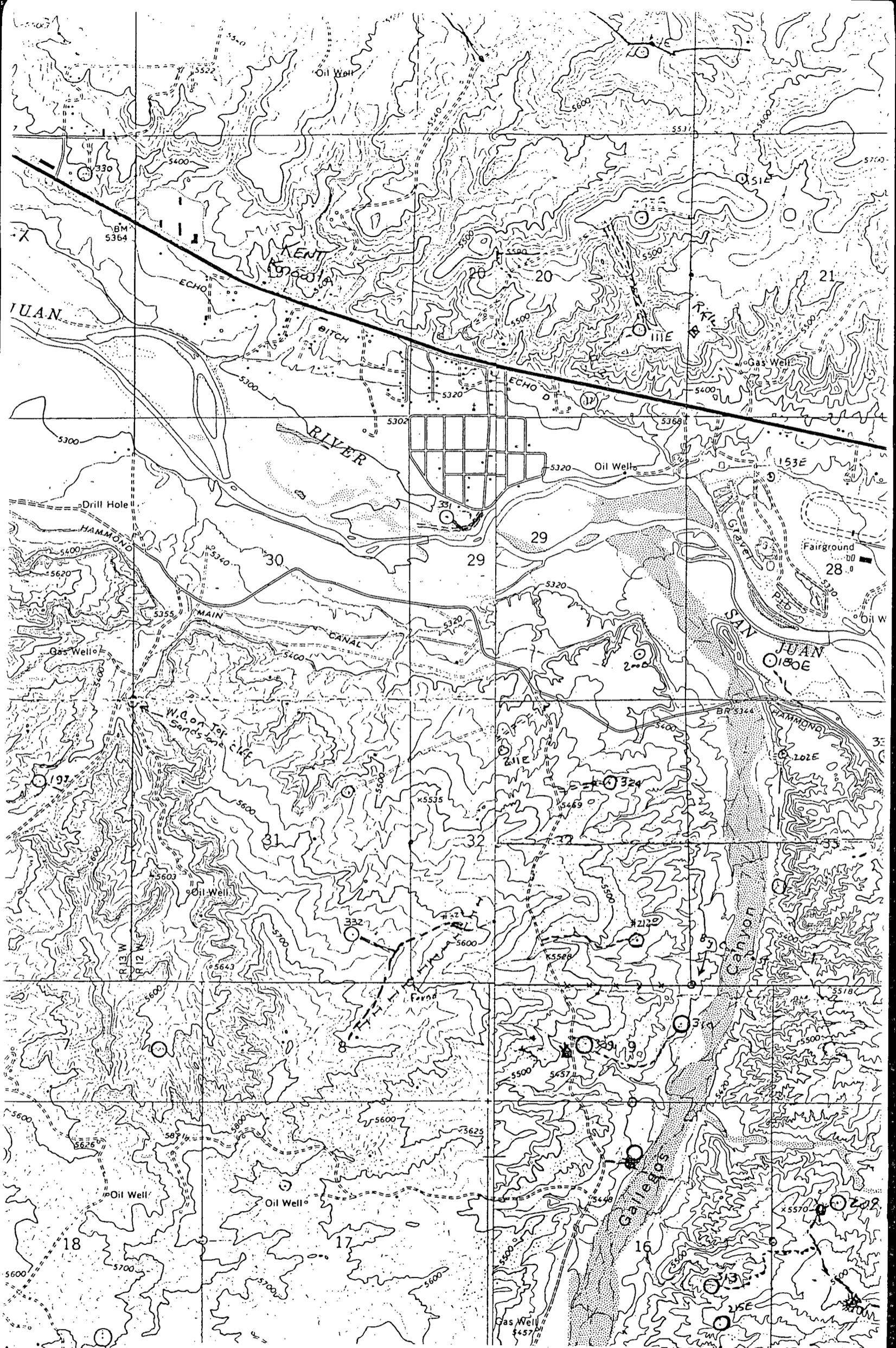
Oil Well
 Gallegos Spring



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



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
 2500'