

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-046-23783

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO. SF-078019

6. IF INDIAN, ALLOTTEE OR TRIBE NAME \_\_\_\_\_

7. UNIT AGREEMENT NAME \_\_\_\_\_

8. FARM OR LEASE NAME \_\_\_\_\_

9. WELL NO. E. H. Pipkin

10. FIELD AND POOL, OR WILDCAT 12 E

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Basin Dakota  
Sec 12, T27N-R11W

12. COUNTY OR PARISH San Juan 13. STATE N. Mexico

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  
P. O. Box 3280 Casper, Wyoming 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface  
E At proposed prod. zone 1460' FNL & 1160' FWL (SW/NW)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approx 7 miles south & 1 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) 1160'

16. NO. OF ACRES IN LEASE 2560

17. NO. OF ACRES ASSIGNED TO THIS WELL 100 (320)

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2300'

19. PROPOSED DEPTH 6350'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5956 GR (ungraded)

22. APPROX. DATE WORK WILL START\*  
Sept, 1979

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	20#	750'	Cement to surface
7 7/8"	4 1/2"	10.5#	6350'	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 will be the Dakota @ 6195'.

*gas is dehydrated*



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 William J. Has TITLE Field Services Administrator DATE August 22, 1979

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Additional well needed pursuant to New Mexico Order R-1670-V. U.S. ratification effective July 1, 1979. oh Frank

\*See Instructions On Reverse Side

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

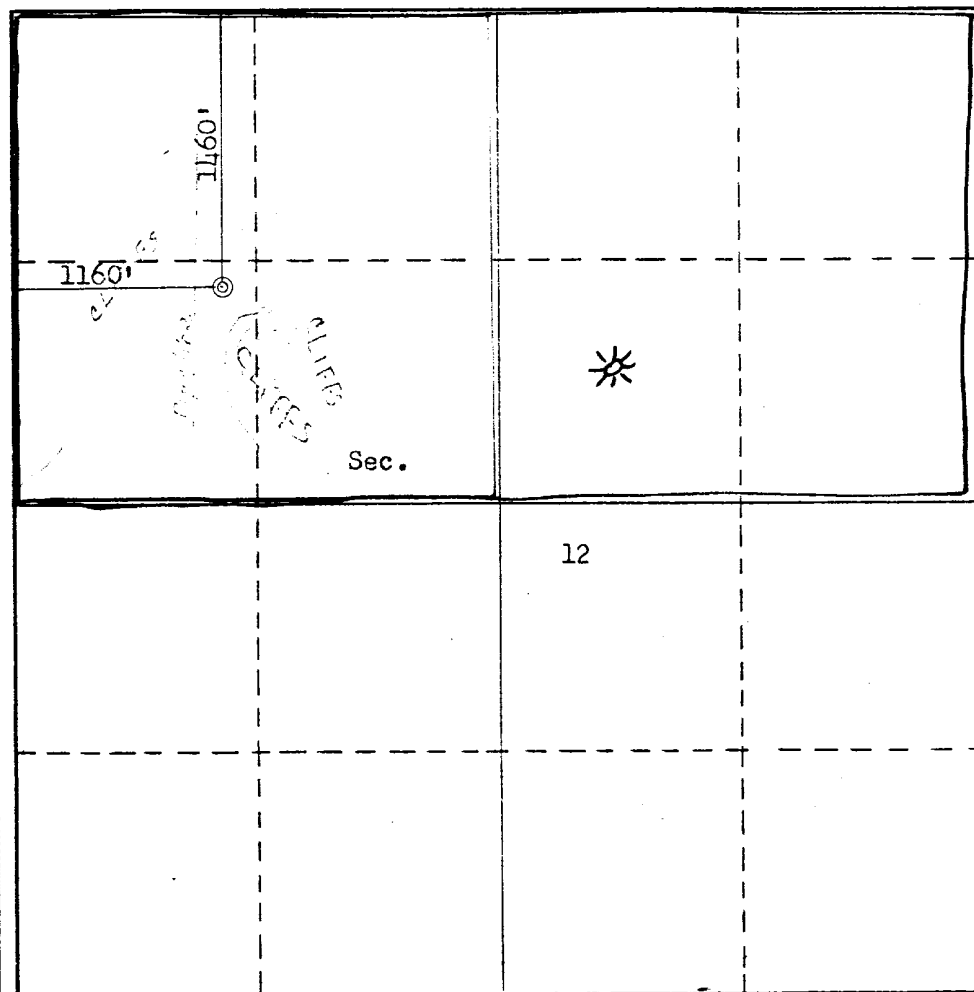
Operator <b>ENERGY RESERVES GROUP</b>			Lease <b>E. H. PIPKIN</b>		Well No. <b>12E</b>
Unit Letter <b>E</b>	Section <b>12</b>	Township <b>27N</b>	Range <b>11W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1160</b> feet from the <b>North</b> line and <b>1160</b> feet from the <b>West</b> line					
Ground Level Elev. <b>5956</b>	Producing Formation <b>Dakota</b>	Pool <b>Basin Dakota</b>		Dedicated Acreage: <del>1.00</del> ( <b>320</b> ) 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.



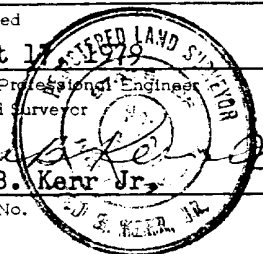
CERTIFICATION

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

Name  
*[Signature]*  
Position  
**Field Services Administrator**  
Company  
**Energy Reserves Group**  
Date  
**August 22, 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 17, 1979**  
Registered Professional Engineer and/or Land Surveyor  
*[Signature]*  
**Fred B. Kerr Jr.**  
Certificate No.  
**3950**



1. The geologic name of the surface formation.

*Nacimiento*

2. The estimated tops of important geologic markers.

<i>Ojo Alamo</i>	<i>640'</i>	<i>Gallup</i>	<i>5295'</i>
<i>Kirtland</i>	<i>752'</i>	<i>Greenhorn</i>	<i>6050'</i>
<i>Pictured Cliffs</i>	<i>1750'</i>	<i>Dakota</i>	<i>6195'</i>
<i>Cliff House</i>	<i>3275'</i>	<i>T.D.</i>	<i>6350'</i>
<i>Pt. Lookout</i>	<i>4225'</i>		
<i>Mancos</i>	<i>4440'</i>		

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

*Ojo Alamo @ 640 is expected to be water bearing.*

*Kirtland 752-4225' possible gas.*

*Pt. Lookout 752-4225' possible gas.*

*Gallup @ 5295' possible oil.*

*Dakota @ 6195' 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*

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. H<sub>2</sub>O 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) No major cuts or fills will be required
- (6) No surfacing is planned
- (7) No gates, cattle guards, or fence cuts are necessary. Approximately 4000' of new access road will be required.

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

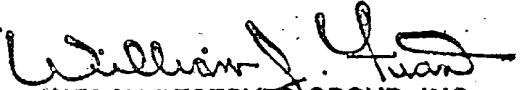
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

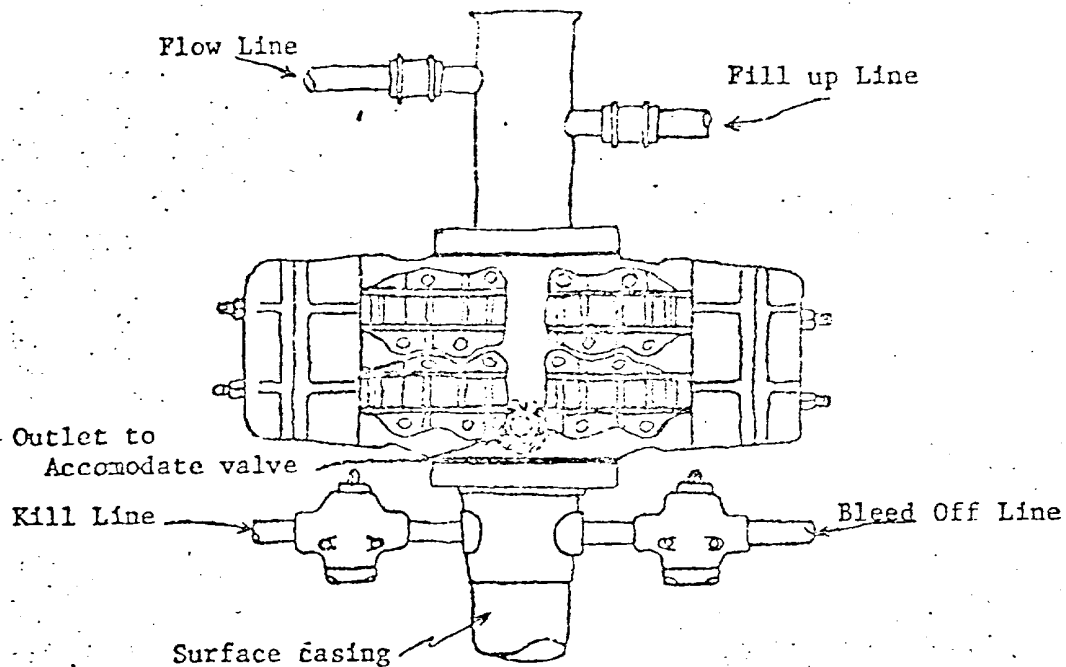
Aug 23, 1979

Date



ENERGY RESERVES GROUP, INC.  
FIELD SERVICES ADMINISTRATOR

Name and Title



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 Kocney 30 gallon accumulator unit.

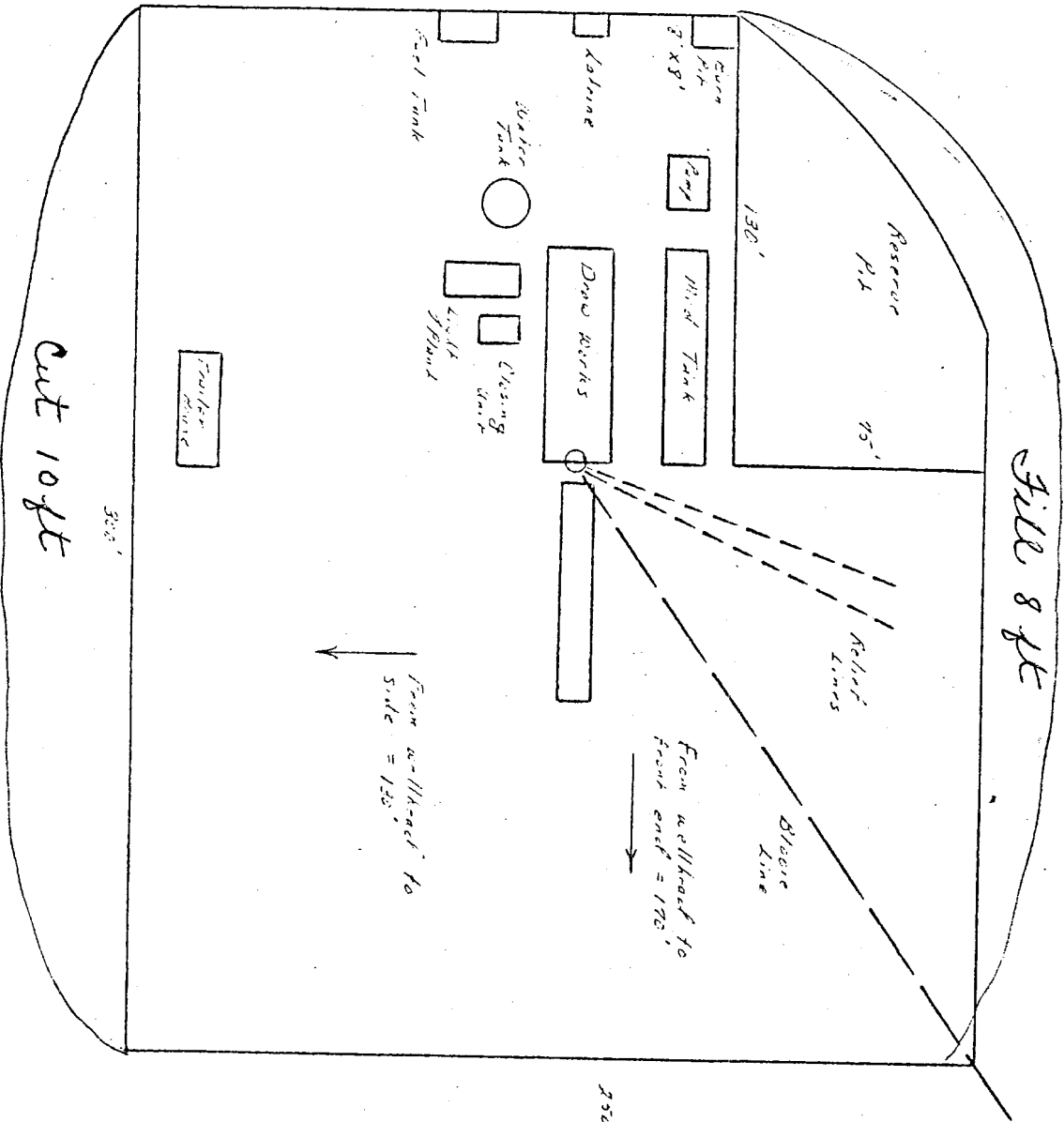
When choke manifold is used, it will be installed downstream from bleed off valve.

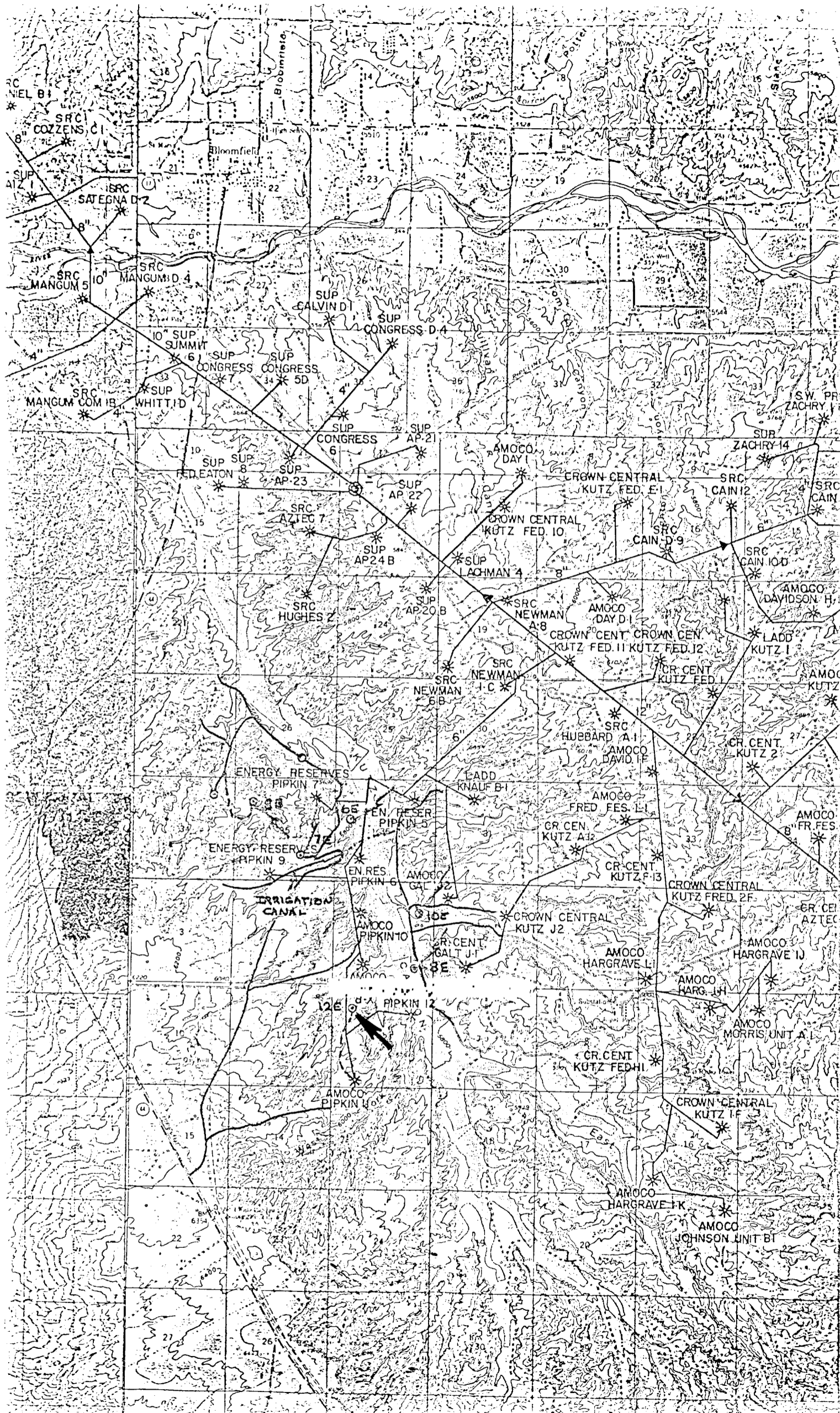
Kill line or bleed off line may be installed at flanged opening in blowout preventer.



# E. H. Ripstein # 13

Typical location plat for mass grade and Dakota wells





PIPKIN 12

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RECEIVED

SEP 1979

RMD CASPER

Well Name E. H. Pipkin # 12-E  
Location NW 12-27-11  
Formation Dakota

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

U. S. Forest Service \_\_\_\_\_ Date \_\_\_\_\_  
Drew Ford \_\_\_\_\_ 8/28/79  
Archaeologist \_\_\_\_\_ Date \_\_\_\_\_

Bureau of Indian Affairs Representative \_\_\_\_\_ Date \_\_\_\_\_  
Bob Mark \_\_\_\_\_ 8/28/79  
Bureau of Land Management Representative \_\_\_\_\_ Date \_\_\_\_\_

A. H. ... \_\_\_\_\_ 8-28-79  
U. S. Geological Survey Representative \_\_\_\_\_ Date \_\_\_\_\_

Seed Mixture: 2

Equipment Color: Brown

Road and Row: (Same) or (Separate)

Remarks: not determined

\_\_\_\_\_  
\_\_\_\_\_