Budget Bureau No. 42-R1425.

(Other instructions on reverse side) 30-045-222335. Lease designation and serial no.

UNITED STATES
DEPARTMENT OF THE INTERIOR

•	GEOLO	GICAL SURV	ΕY				
APPLICATION	V FOR PERMIT T	O DRILL, I	DEEPI	EN, OR PLUG B	ACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. Type of well	AS X OTHER	DEEPEN	151	PLUG BAC		7. UNIT AGREEMENT NAME Gallegos Canyon Unit- 8. FARM OR LEASE NAME	
Energy Res	serves Group,	Inc.				9. WELL NO.	
3. ADDRESS OF OPERATOR						269	
BOX 3280,	10. FIELD AND POOL, OR WILDCAT Kutz Pictured Cliffs						
At surface 790	11. SEC., T., B., M., OB BLK. AND SURVEY OR AREA						
At proposed prod. zon							
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*						Sec. 18-T28N-R12W	
	les south &		ast		n	San Juan New Mexic	
LOCATION TO NEAREST PROPERTY OR LEASE I	15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. NA					OF ACRES ASSIGNED HIS WELL 160	
(Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION*			1	19. PROPOSED DEPTH 20. EG		RY OR CABLE TOOLS	
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, PT. 2750			14	470	Rotary		
21. BLEVATIONS (Show whether DF, RT, GR, etc.) 5697 'GRD						November, 1976	
23.	P	ROPOSED CASE	NG ANI	CEMENTING PROGRA	М		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER P	00Т	SETTING DEPTH		QUANTITY OF CEMENT	
9-7/8"	7"	<u>17#</u>		100' 1470'		sks sks	
6½''	4½"	9.5#		14/0	100	SKS	
rotary too is the Pic Copies of well. Cop	ols from surf	ace to TI formatio will be ocation p	on. furr olat	The anticipat No cores or nished upon c are attached	ed zo DST's comple . Th	e estimated	
A Series 6				A CONTRACTOR OF THE PARTY OF TH	· .	NOV 2 1976	
	drill or deepen directional	lly, give pertinent	t data o	n subsurface locations an	d measured	uctive zone and proposed new productive d and true vertical depths. Give blowout	
SIGNED Allan	12. 12au	177	LE KA	4D PRODUCTIO	al taig	October 28,	
(This space for Fede	ral or State office use)				-		
PERMIT NO.				APPROVAL DATE	······		
▲PPROVED BY		717	'I.E			DATE	
CONDITIONS OF APPROV	AL, IF ANY:) /a.()					,,,	

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section Well No. Operator 269 Gallegos Canyon Unit-P📜 Energy Reserves Group, Inc. Township Unit Letter San Juan 12 West 28 North 18 Actual Footage Location of Wells East South line and 790 feet from the Dedicated Acreage: Pool Wist Producing Formation Ground Level Elev: Kutz Pictured Cliffs 160 Actes Pictured Cliffs 5697 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? If answer is "yes;" type of consolidation __ Yes 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 Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. RMD Production Engineer Energy Reserves Group, Inc October 28,1976 Section 18 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 some is true and correct to the best of my knowledge and belief. Saptember 29. Registered Professional Engineer THENTALDER 3084

2000

1320

Attachment with Form 9-331C

- 1. The geologic name of the surface formation is the Nacimiento formation.
- 2. The estimated tops of the important geologic markers in well are: Pictured Cliffs ss 1365' TD 1470'
- 3. It is anticipated that the Pictured Cliffs formation will be gas bearing.
- 4. The proposed casing program is as follows: Set 7" 17# used casing at 100'+ and cement back to surface with 50 sks cement. Set 4½" 9.5# second hand casing at 1470'+ (in a 6½" hole) and cement with 100 sks cement. Est. cement top at 850 '+.
- 5. Pressure control equipment consists of the following:
 A Shaffer type-double ram BOP-hydraulically operated 10" 600 or 900 series. The BOP will be pressure
 tested to 400 psi after installation and prior to
 drilling out from under surface casing. See attachment #1.
- 6. Well is to be drilled with gel mud plus required additives for hole conditions and formations to be drilled. Normally, about 30-40 sacks of gel will be on location at any one time. There is no need for weighting material.
- 7. Auxiliary equipment a float at the bit and a full opening floor valve to stab into the drill pipe.
- 8. No coring is planned. No DST's are planned. It is planned to run only the IES log from TD to base of surface casing.
- 9. No abnormal pressures or temperatures are anticipated. H₂S is not a potential problem in this area.
- 10. It is planned to commence drilling operations soon after regulatory approval has been received. It is planned to drill this well along with about ten (10) others yet this year. It is estimated it will take 6 days to drill and log this well.

NTL-6

- 1. Existing Roads
 - a. See attachment # 2
 - b. Go about 6 miles east of Farmington on Bloomfield Highway. Turn south on black just east of fairgrounds. Go across the river and up on top of cliffs and get on black top road and follow till you get to proposed well # 274. Turn off of black top to north and proceed to proposed well # 269 access road. (About 9 miles from Bloomfield Highway.)
 - c. See attachment # 2
 - d. Not applicable Development well
 - e. See attachment # 2
 - f. Existing roads are in good condition and will not require any improvements or maintenance.
- 2. Planned Access Roads see attachment # 2

You leave a black top road near proposed well # 274 and follow a field road for about 1 ½ miles to the point you turn off on the east side of the road to go to this well site.

- (1) about 16' +
- (2) about 6 to 8 % in three places
- (3) NR
- (4) (5) For adequate drainage in case it rains while we are drilling this well, it will be necessary to install two (2) large culverts (30" \pm) in two separate major drainages on the access road to be constructed.
- (6) NR
- (7) NR
- 3. Location of Existing Wells see attachment # 2
 - (6) Producing wells #5 #19 #20 # 21 #22 #35 #36.
 - (7) Shut-in wells #37 #38.
- 4. Location of Existing and/or Proposed Facilities
 - a. (1) None
 - (2) At each well
 - (3) None
 - (4) El Paso has gathering lines to each well
 - (5) None
 - (6) None
 - b. If well is productive, El Paso will hook up at well. A meter house will be required at well.
- 5. Location and type of Water Supply -
- a. It might be possible to dig a water hole with a cat in the Gallegos Canyon near proposed well # 274. If this does not provide enough water, it will be necessary to get it from the San Juan river near where you cross it after turning off of Bloomfield Highway.
 - b. In either case it will be necessary to haul it by truck.
 - c. NA
- 6. Source of Construction Materials -

None required.

NTL-6

7. Methods for Handling Waste Disposal -

(1) (2) (3) Reserve pit at drill site will be used to contain these items.

(4) None

- (5) Small, deep trash pit will be dug at drill site location
- (6) Area will be policed up after drilling rig moves out and debris put in trash pit.
- 8. Ancillary Facilities -

None required.

- 9. Well site Layout -
 - (1) See attachment # 3
 - (2) See attachment # 4
 - (3) See attachment # 4
 - (4) It is not planned to line pits.
- 10.Plans for Restoration of Surface -
 - (1) As soon as pit is dried up, it will be filled in and the surface leveled and contoured to surrounding terrain.
 - (2) As per regulatory agencies recommendation
 - (3) Rehabilitation will take place as soon as practical after drilling and completion operations are completed.
- 11.0ther Information -
 - (1) Topography at well site and on access road to be constructed is very rough and cut by many gulleys. Soil is very sandy. There are a few scrub trees growing and no other vegetation
 - (2) There are no other surface use activities. The surface is owned by Federal Government.
 - (3) There is no water nearby and there are no occupied dwellings nearby.
- 12.Lessee's or Operators Representative -
 - Mr. T.C. Durham is the Foreman who will represent Energy ReservesGroup, Inc. during our drilling and clean up operations in connection with this well. He lives in Farmington, New Mexico. His address and phone no's are as follows:

Home - 1205 Camino Largo	Ph.	505-325-7978
Office - Box 9 7	Ph.	505-327-1639
Contact - Unit 539	Ph.	505-325-1873

CERTIFICATION

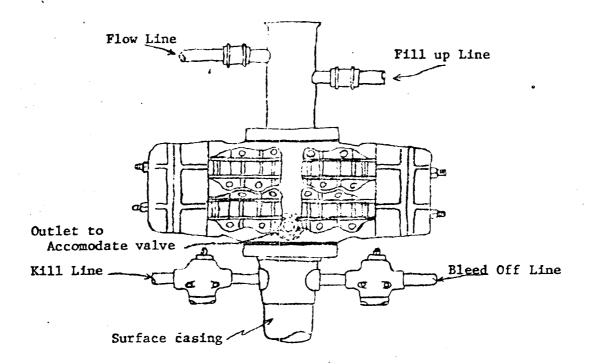
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by
FIGUR Freeze Dense.
and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

11-5-76 Date

Name and Title

Energy Reserves Group, Inc. GCU-PC #269

Attachment #1



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.

Attachment #3

Energy Reserves Group, Inc. GCU-PC # 269 790' FS & 1580' FE Sec 18-28N-12W San Juan County, New Mexico

