

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-22239
5. LEASE DESIGNATION AND SERIAL NO.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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

990' FSL, 990' FEL (NW SE SE)

At proposed prod. zone

7. UNIT AGREEMENT NAME

Gallegos Canyon Unit

8. FARM OR LEASE NAME

9. WELL NO.

274

10. FIELD AND POOL, OR WILDCAT

West Pictured Cliffs

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

Sec. 20-T28N-R12W

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

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

About 5 miles south & 4 miles east of Farmington

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

NA

16. NO. OF ACRES IN LEASE

Unitized

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

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

1900

19. PROPOSED DEPTH

1460'

20. ROTARY OR CABLE TOOLS

Rotary

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

5503' GRD

22. APPROX. DATE WORK WILL START*

November, 1976

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	17#	100'	50 sks
6 1/4"	4 1/2"	9.5#	1460'	95 sks

Energy Reserves Group, Inc. proposes to drill the above well with rotary tools from surface to TD. The anticipated zone of completion is the Pictured Cliffs formation. No cores or DST's are planned. Copies of all logs run will be furnished upon completion of the well. Copies of the location plat are attached. The estimated tops are as follows:

Ojo Alamo 125'
Kirtland 225'
Fruitland 1055'
Pictured Cliffs 1340'
TD 1460'

A Series 600 or 900 BOP will be used while drilling this well. The gas is dedicated.

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 Hear B. Barner TITLE RMD Production Engineer DATE October 28, 1976

(This space for Federal or State office use)

RECEIVED

PERMIT NO.

APPROVAL DATE

NOV 2 1976

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Chal

*See Instructions On Reverse Side

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

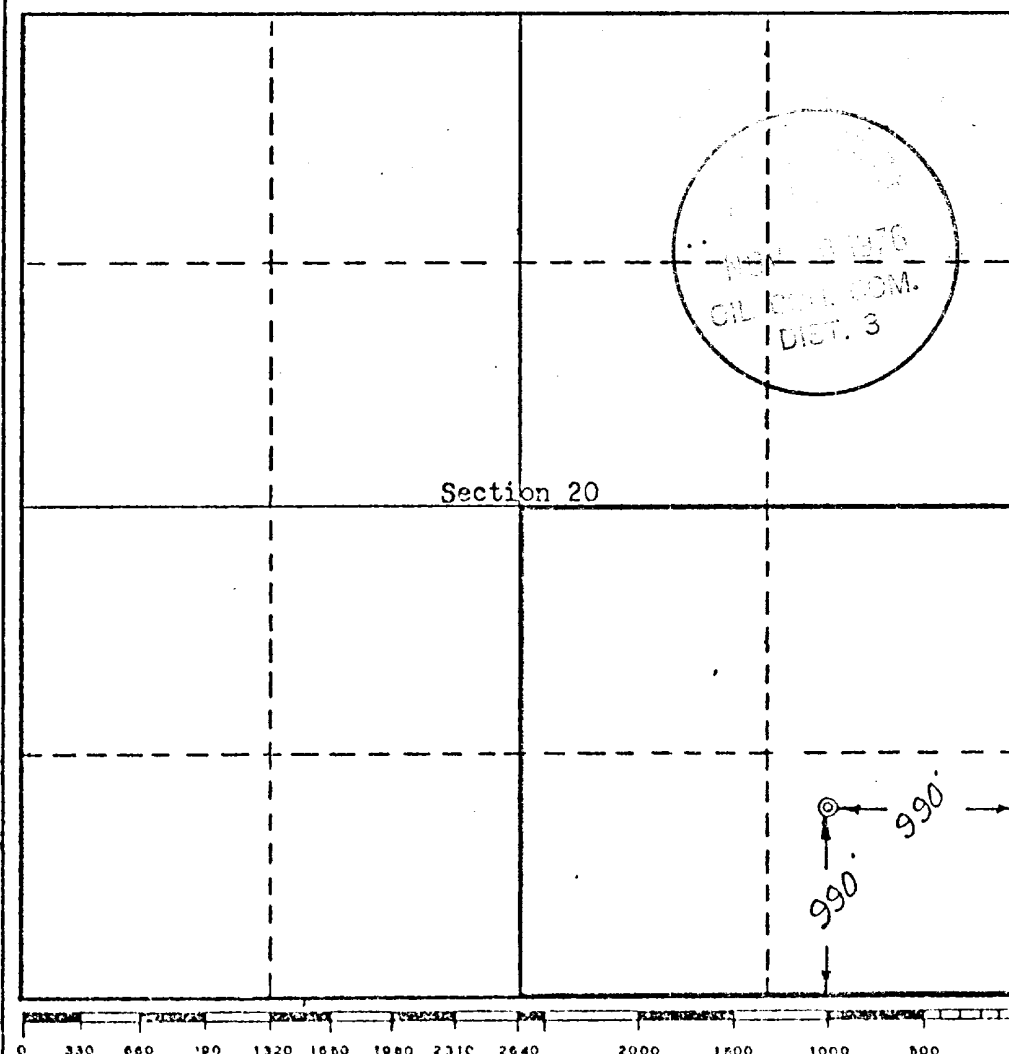
Operator Energy Reserves Group, Inc.		Lease Gallegos Canyon Unit - 274		Well No. 274
Unit Letter P	Section 20	Township 28 North	Range 12 West	County San Juan
Actual Footage Location of Well: 990 feet from the South line and 990 feet from the East line				
Ground Level Elev. 5503	Producing Formation Pictured 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 **Wesley B. Barner**
 Position **RMD Production Engineer**
 Company **Energy Reserves Group, Inc.**
 Date **10-28-76**

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 28, 1976**
 Registered Professional Engineer and Land Surveyor **[Signature]**
 Certificate No. **30811**

Attachment with Form 9-331-C

1. The geologic name of the surface formation is the Nacimiento formation.
2. The estimated tops of the important geologic markers in this well are:

Ojo Alamo	125'
Kirtland	225'
Fruitland	1055'
Pictured Cliffs ss	1340'
TD	1460'
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 1460'+ (in a 6¼" hole) and cement with 100 sks cement. Est. cement top at 840' ±
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. 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. About 5 miles south and 4 miles east of Farmington
- c. Covered in a. and b.
- d. Not applicable - development well.
- e. See attachment #2
- f. Existing roads are in good condition.
No improvement of maintenance required.

2. Planned access roads :

It will not be necessary to construct Access roads.
Paved road is adjacent to location.
(1) Width of driving area limited to 16'±.
(2) Very flat terrain
(3)(4)(5)(6)(7) None required.

3. Location of Existing Wells :

Wells indicated on Attachment #2 are producing wells operated by Energy Reserves Group, Inc.

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 each

NTL-6

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 recommendations.
- (3) Rehabilitation will take place as soon as possible after drilling and completion operations are completed.

11. Other Information :

- (1) Topography at well site and access road is very flat. Soil is very sandy. A few scrub trees are growing and there is no other vegetation.

12. Lessee's or Operator's representative :

Mr. T.C. Durham is the Foreman who will represent Energy Reserves Group, 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 977	ph.505-327-1639
Contact	- Unit 539	ph.505-325-1873

13. Certification :

See attached certificate.

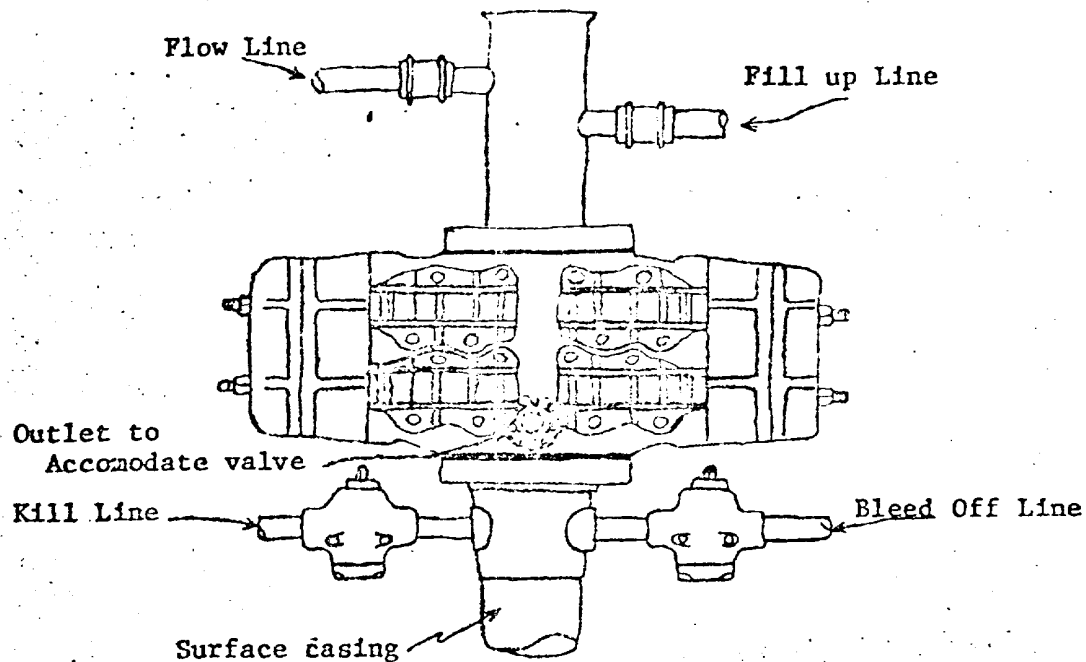
CERTIFICATION

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 _____

Field Foreman
and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10-5-76
Date

W. S. Sullivan Foreman
Name and Title

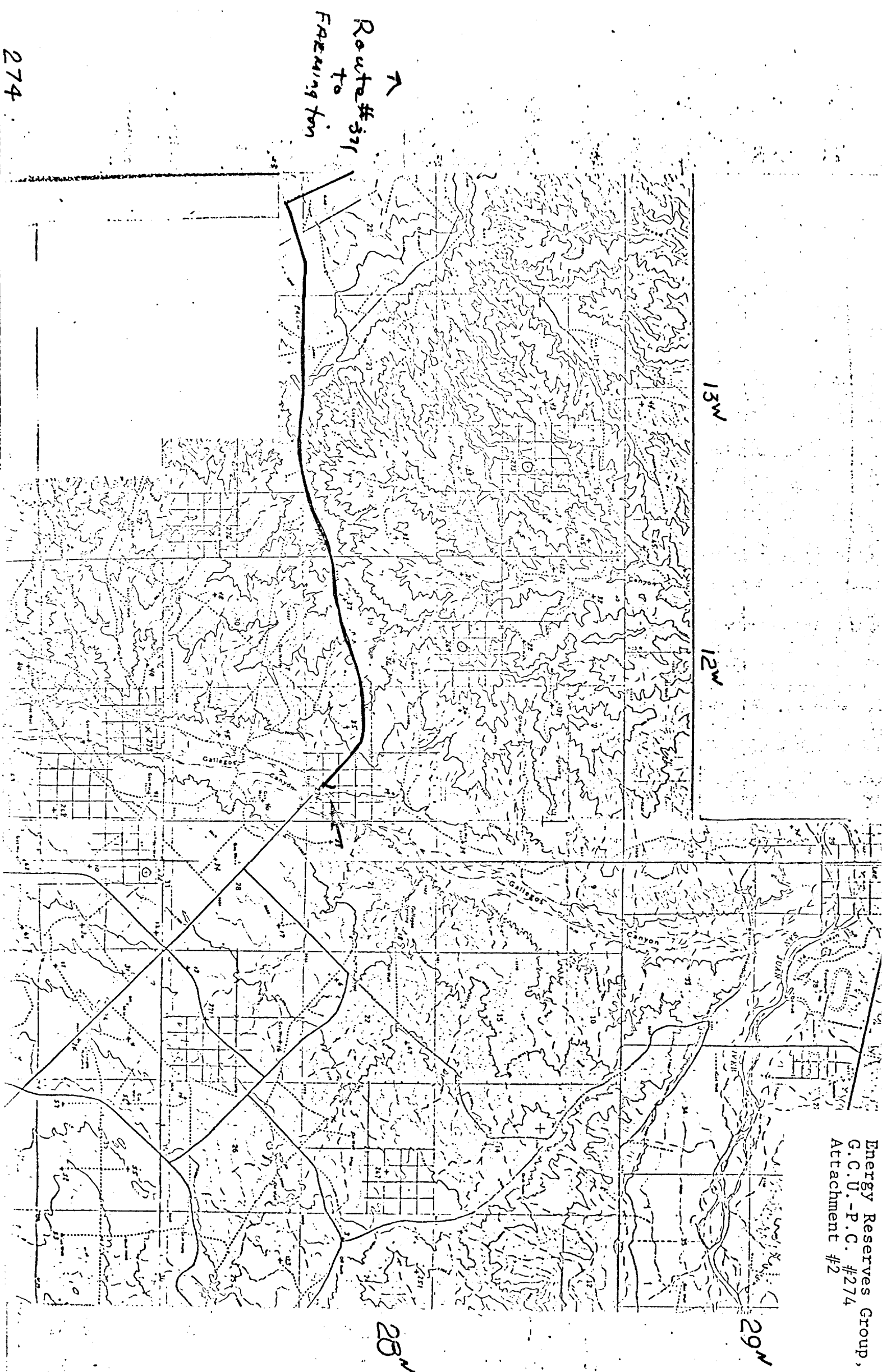


Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

Blowout preventer closing unit is Kookey 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.



Energy Reserves Group, Inc.
GCU-PC # 274
990' FS & 990' FE Sec 20-28N-12E
San Juan County, New Mexico

