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| TRANSPORTER            | OIL |   |
|                        | GAS | 1 |
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NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
Supersedes Old C-104 and C-110  
Effective 1-1-45

|                                                  |                                                                             |
|--------------------------------------------------|-----------------------------------------------------------------------------|
| Operator<br>Energy Reserves Group, Inc.          |                                                                             |
| Address<br>P. O. Box 3280, Casper, Wyoming 82602 |                                                                             |
| Reason(s) for filing (Check proper box)          | Other (Please explain)                                                      |
| New Well <input checked="" type="checkbox"/>     | Change in Transporter of:                                                   |
| Recompletion <input type="checkbox"/>            | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>               |
| Change in Ownership <input type="checkbox"/>     | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |

If change of ownership give name  
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                                                                                           |                 |                                                           |                                                   |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------|---------------------------------------------------|--------------------------|
| Lease Name<br>Gallegos Canyon Unit                                                                                                                                                                                        | Well No.<br>272 | Pool Name, Including Formation<br>Kutz Pict. Cliffs, West | Kind of Lease<br>State, Federal or Fee<br>Federal | Lease No.<br>SF-078903-E |
| Location<br>Unit Letter <u>C</u> : <u>1100</u> Feet From The <u>North</u> Line and <u>2200</u> Feet From The <u>West</u><br>Line of Section <u>33</u> Township <u>28N</u> Range <u>12W</u> , NMPM, <u>San Juan</u> County |                 |                                                           |                                                   |                          |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                          |                                                                          |                                 |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>                    | Address (Give address to which approved copy of this form is to be sent) |                                 |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |                                 |
| El Paso Natural Gas Co.                                                                                                  | Box 990, Farmington, NM 87401                                            |                                 |
| If well produces oil or liquids,<br>give location of tanks.                                                              | Unit                                                                     | Sec. Twp. Rge.                  |
|                                                                                                                          |                                                                          | Is gas actually connected? When |
|                                                                                                                          |                                                                          | No                              |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

|                                                                                         |                                                |                                             |                       |              |        |           |             |              |
|-----------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------|--------------|--------|-----------|-------------|--------------|
| Designate Type of Completion - (X)                                                      | Oil Well                                       | Gas Well                                    | New Well              | Workover     | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
|                                                                                         |                                                | X                                           | X                     |              |        |           |             |              |
| Date Spudded<br>12-23-76                                                                | Date Compl. Ready to Prod.<br>3-26-77          | Total Depth<br>1475'                        | P.B.T.D.<br>1471'     |              |        |           |             |              |
| Elevations (DF, RKB, RT, GR, etc.)<br>K.B. 5689'                                        | Name of Producing Formation<br>Pictured Cliffs | Top Oil/Gas Pay<br>T - 1352'                | Tubing Depth<br>1370' |              |        |           |             |              |
| Perforations<br>1352'- 60' (8') w/4 JPF; 1364'- 68'; 1371'- 75'; 1378'- 84'; 1386'- 90' |                                                | (20') w/1 JPF<br>Depth Casing Shoe<br>1473' |                       |              |        |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD                                                    |                                                |                                             |                       |              |        |           |             |              |
| HOLE SIZE                                                                               | CASING & TUBING SIZE                           | DEPTH SET                                   |                       | SACKS CEMENT |        |           |             |              |
| 9-7/8"                                                                                  | 7"                                             | 101'                                        |                       | 50           |        |           |             |              |
| 6-1/4"                                                                                  | 4-1/2"                                         | 1473'                                       |                       | 90           |        |           |             |              |
|                                                                                         | 1-1/2"                                         | 1370'                                       |                       | -0-          |        |           |             |              |

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

|                                 |                 |                                               |            |
|---------------------------------|-----------------|-----------------------------------------------|------------|
| Date First New Oil Run To Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test        | Oil-Bbls.       | Water-Bbls.                                   | Gas-MCF    |

\* Tested w/orifice well tester thru test separator. Held 101# Back Pressure

GAS WELL SEE ATTACHED TEST DATA

|                                                      |                                            |                                            |                             |
|------------------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------|
| Actual Prod. Test-MCF/D<br>Q = 132                   | Length of Test<br>24 hrs.                  | Bbls. Condensate/MMCF<br>-0-               | Gravity of Condensate<br>NA |
| Testing Method (pilot, back pr.)<br>* See above note | Tubing Pressure (Static-In) 51<br>101# 225 | Casing Pressure (Static-In) 31<br>178# 230 | Choke Size<br>NA            |

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Terence L. Ruel  
(Signature)  
District Clerk  
(Title)  
4/7/77  
(Date)

OIL CONSERVATION COMMISSION

APPROVED \_\_\_\_\_, 19\_\_\_\_  
Original Signed by A. R. Kendrick  
BY \_\_\_\_\_  
TITLE SUPERVISOR DIST #3

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.  
All sections of this form must be filled out completely for allowable on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.  
Separate Forms C-104 must be filed for each pool in multiply completed wells.

ENERGY RESERVES GROUP, INC., Box 3280, CASPER, WYOMING 82602  
 SAGEGOS CANYON UNIT - PICTURED CITIES # 272  
 SENEWA SEC 33-728N-112W SAN JUAN, NEW MEXICO

| GCU-PC # 272<br>REF 1364-68, 1371-75,<br>1377-84, 1386-90, FRAC | CHOKE<br>SIZE | CASING<br>PRESS. | TURNING<br>PRESS. | DRIFTE<br>PRESS. | SIZE<br>DRIFTE | PRODUCING RATE<br>MCF/D | BURD | REMARKS                                                  |
|-----------------------------------------------------------------|---------------|------------------|-------------------|------------------|----------------|-------------------------|------|----------------------------------------------------------|
| 2-20-77                                                         | 3/4"          | 170 #            |                   |                  |                |                         |      | TO ATMOSPHERE - Flowing Heavy MIST                       |
| 2-21-77                                                         | "             | 150 #            |                   |                  |                |                         |      | "                                                        |
| 2-22-77                                                         | "             | 142 #            |                   |                  |                |                         |      | "                                                        |
| 2-23-77                                                         | "             | 132 #            |                   |                  |                |                         |      | "                                                        |
| 2-24-77                                                         | 5/8"          | 108 #            |                   |                  |                |                         |      | "                                                        |
| 2-25-77                                                         | 3/4"          | 122 #            |                   |                  |                | 265                     | 94   | "                                                        |
| 2-26-77                                                         | "             | 120 #            |                   |                  | 1 1/2"         | 285                     | 94   | S.I.                                                     |
| 2-27-77                                                         | "             | 180 #            | 160 #             |                  | 1 1/2"         |                         |      | S.I.                                                     |
| 2-28-77                                                         | "             | 188 #            | 177 #             |                  |                |                         |      | S.I.                                                     |
| 3-1-77                                                          |               |                  |                   |                  |                |                         |      | S.I.                                                     |
| 3-2-77                                                          |               |                  |                   |                  |                |                         |      | S.I. - INSTALLED TEST SEPARATOR                          |
| 3-8-77 to 3-25-77                                               |               |                  |                   |                  |                |                         |      | Holding 108" B.P. - Holding w/water                      |
| 3-25-77                                                         |               | 195 #            | 103 #             | 25 #             | 1 1/2"         | 205                     | 69   | S.I.                                                     |
| 3-26-77                                                         |               | 186 #            | 103 #             |                  | 1 1/2"         |                         |      |                                                          |
| 3-27-77                                                         |               |                  |                   |                  |                |                         |      |                                                          |
| 4-13-77                                                         |               |                  |                   |                  |                |                         |      | TO H w/2 3/8" TBG - REF 1352-60 w/4 SPF-TIN w/1 1/2" TBG |
| 4-14-77                                                         |               |                  |                   |                  |                | 65                      | TR   | 1 1/2" LAUBED @ 1370' K.B. - INSTALLED TEST SEPARATOR    |
| 4-15-77                                                         |               | 225 #            | 100 #             | 9 #              | 3/8"           | 61                      |      | Holding 101" B.P. THRU TEST SEPARATOR                    |
| 4-16-77                                                         |               | 220 #            | 100 #             | 9 #              | "              | 61                      |      | "                                                        |
| 4-17-77                                                         |               | 220 #            | 100 #             | 8 #              | "              | 57                      |      | "                                                        |
| 4-18-77                                                         |               | 220 #            | 100 #             | 8 #              | "              | 57                      |      | "                                                        |
| 4-19-77                                                         |               | 180 #            | 103 #             | 40 #             | "              | 161                     | 23   | " 103" "                                                 |
| 4-20-77                                                         |               | 180 #            | 101 #             | 30 #             | "              | 132                     | 1    | " 101" "                                                 |
| 4-21-77                                                         |               | 178 #            | 101 #             | 30 #             | "              | 132                     | 0    | "                                                        |

4/7/77 Submitted to EPAS w/request for Pipeline Connection

INTERMIT TBG TO PIT ZONES