

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-045-23706

## 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 (Report location clearly and in accordance with any State requirements.\*)

At surface

K At proposed prod. zone

2480' FSL &amp; 2360' FWL (NE/SW)

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

Approximately 9 miles east &amp; 5 miles south of Farmington, NM

## 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.

2000'

## 19. PROPOSED DEPTH

1950'

## 20. ROTARY OR CABLE TOOLS

Rotary

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

5867' Gr (ungraded)

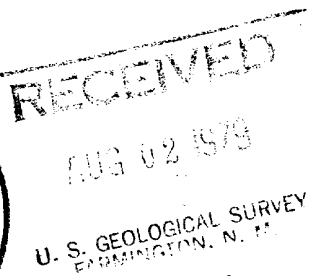
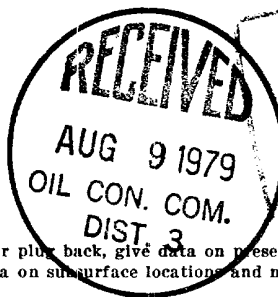
## 22. APPROX. DATE WORK WILL START\*

August, 1979

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	120'-200'	Cement to surface
6 3/4"	4 1/2"	9.5#	1950'	100sx. or cmt. to surface

Energy Reserves Group, Inc. proposes to drill the above referenced well with rotary tools from surface to T.D. The anticipated zone of completion is the Pictured Cliffs Formation @ 1750'-1950'. No cores or DST's are planned. Copies of all logs run will be furnished upon completion of the well.

*gas is desired*

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 surface locations and measured and true vertical depths. Give blowout preventer program, if any.

## 24.

SIGNED

TITLE

Field Services Administ.

DATE

July 30, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*OK**nmcc*

\*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.

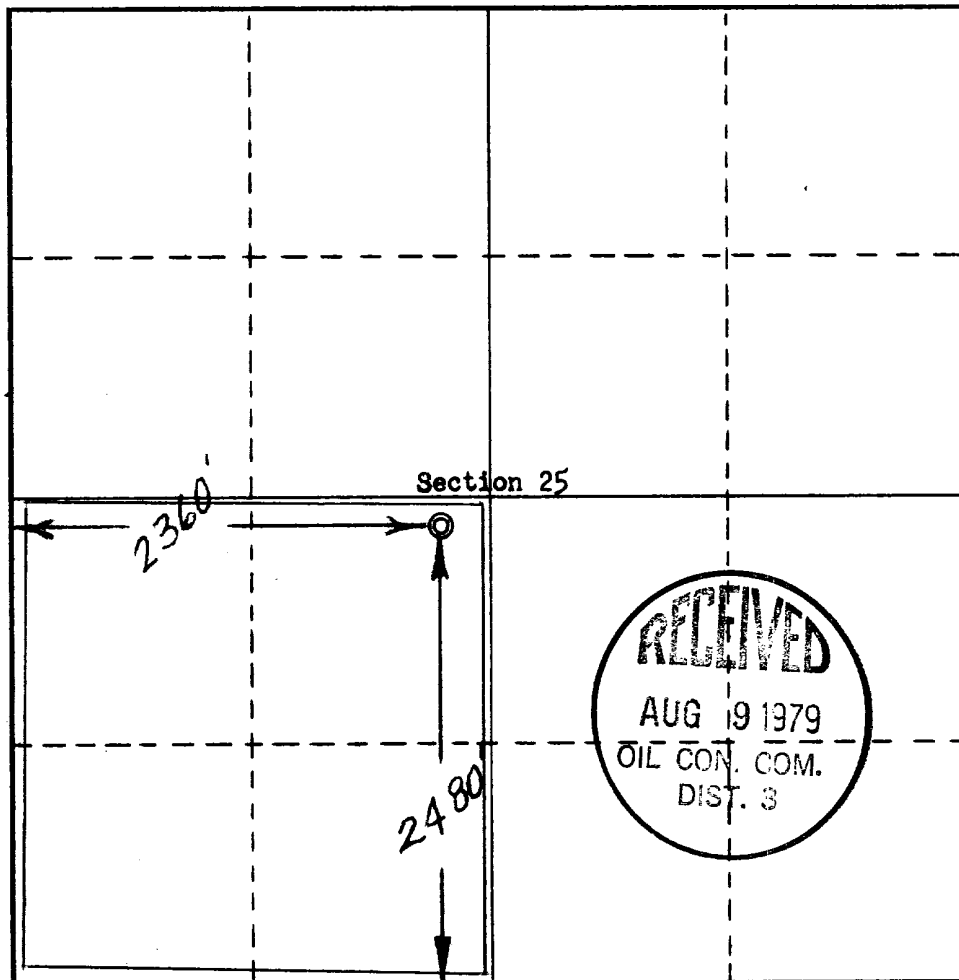
Operator <b>Energy Reserves Group, Inc.</b>		Lease <b>(SF-078904-A) Gallegos Canyon Unit</b>		Well No. <b>281</b>
Unit Letter <b>K</b>	Section <b>25</b>	Township <b>28 North</b>	Range <b>12 West</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>2480</b> feet from the <b>South</b> line and <b>2360</b> feet from the <b>West</b> line				
Ground Level Elev: <b>5867</b>	Producing Formation <b>Pictured Cliffs</b>	Pool <b>West Kutz Pictured Cliffs</b>	Dedicated Acreage: <b>160</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 \_\_\_\_\_  
Position  
Field Services Administrator  
Company  
Energy Reserves Group, Inc.  
Date  
July 30, 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  
July 11, 1979  
Registered Professional Engineer and Land Surveyor  
L. POTEET  
No. 3084  
State of New Mexico



Supplemental to Form 9-331C

1. The geologic name of the surface formation.

Nacimientos

2. The estimated tops of important geologic markers.

Fruitland	1200'
Coal Marker	1700'
Pictured Cliffs "A"	1750'
Pictured Cliffs "B"	1850'
T.D.	1950'

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

Fruitland	Gas
Coal Marker	Water
Pictured Cliffs	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 - 24# - new

4 1/2" - k-55 - 9.5# - 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.

An 8" series 900 dual ram hydraulic preventor will be used. The BOP will be pressure tested to 400 psi after installation and prior to drilling out from under surface casing.

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 chemical mud gel will be used for drilling. Sufficient mud materials will be on hand to control minor lost circulation.

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.

Auxiliary equipment will consist of: a sub on the floor with a full opening valve w/drill pipe thread.

8. The testing, logging, fracing, and coring programs to be followed with provision made for required flexibility.

No DST's are planned. Logging will consist of DIL, Gamma Ray, Density-Neutron. Nitrogen-Water (foam) fracing consisting of approx. 20,000 gal. of 70% quality foam w/25,000# 10-20 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.

An abnormal pressure high volume gas zone might be encountered between 1000' and 1500'. (Fruitland Interval)

10. The anticipated starting date and duration of the operations.

It is planned to commence operations as soon as regulatory approval has been received. It is estimated that the drilling & completion operations can be completed in 10-12 days.

## MULTI-POINT SURFACE USE PLAN

### 1. EXISTING ROADS

- A. See attached topo map
- B. Approximately 5 miles south and 9 miles east of Farmington, New Mexico.
- C. See attached topo map
- D. This is a development well
- E. See attached topo map
- F. There is an existing road within 1000' of the location. This road may require minor improvements to allow for rig traffic. Maintenance will be performed by Energy Reserves Group, Inc. and Amoco as needed.

### 2. PLANNED ACCESS ROADS

Approximately 1000' of new access road will be required.

### 3. LOCATION OF EXISTING WELLS

There are several wells in the area. Amoco has a Gallup Well approximately 1000' from the proposed site. See attached map.

### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Energy Reserves Group, Inc. operates the Pictured Cliffs (gas) Wells within the Gallegos Canyon Unit. Gas gathering lines are owned by El Paso Natural Gas Company and are installed and operated under rights of way terms. All production facilities are located on the individual well site.
- B. Any new facilities required will be limited to the well site. If a pit is required it will be fenced to protect the livestock and wildlife.
- C. Any disturbed areas no longer needed after drilling and completion operations will be recontoured and rehabilitated as per BLM recommendations.

### 5. LOCATION AND TYPE OF WATER SUPPLY

Water used for drilling will be hauled by truck from Energy Reserves Group, Inc. disposal site located within the Gallegos Canyon Unit.

### 6. SOURCE OF CONSTRUCTION MATERIALS

None needed

### 7. METHODS FOR HANDLING WASTE DISPOSAL

The reserve pit will be of adequate size to contain cuttings and drilling fluids. Any produced hydro-carbons will be stored in tanks, produced water if any will be disposed of as per NTL-2B requirements. Garbage and other waste material will be burned or buried in a small trash pit. Upon completion of operations the entire area will be policed up and the reserves pit fenced. Any oil on the pit will be removed. The trash pit will be buried to prevent scattering of any additional trash.

### 8. ANCILLARY FACILITIES

None required

### 9. WELL SITE LAYOUT

- 1,2, & 3 (see attached)
- 4 It is not planned to line any pit.

### 10. PLANS FOR RESTORATION OF SURFACE

Upon completion of operations the pit will be fenced and allowed to dry before covering. The entire area will be policed up and all trash buried or burned. Any area not needed for future operations will be recontoured and reseeded as per BLM specifications.

### 11. OTHER INFORMATION

The well site is located adjacent to the Navajo Irrigation Project, Block No. 1. The area is used for farming and presently is under irrigation. Surface ownership is N.I.P. under administration of the Navajo Tribe. There are no continuously flowing streams in the area. The San Juan River is the nearest water. There are no occupied dwellings within one mile of the well site. Archaeological work had been conducted prior to the commencement of the Irrigation Project.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

Bill Fiant and/or T.C. Durham will represent Energy Reserves Group, Inc. during the drilling and clean up operations in connection with this well.

Bill Fiant  
P.O. Box 3280  
Casper, Wyoming 82602

307-265-7331 Office  
307-265-2529 Home

T.C. Durham  
1205 Camino Largo  
Farmington, New Mexico 87401

505-325-7978 Home  
505-327-1639 Office  
505-325-1873 Mobil  
(Unit # 539)

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 \_\_\_\_\_

Doug J. Lee  
and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

7-30-79  
Date

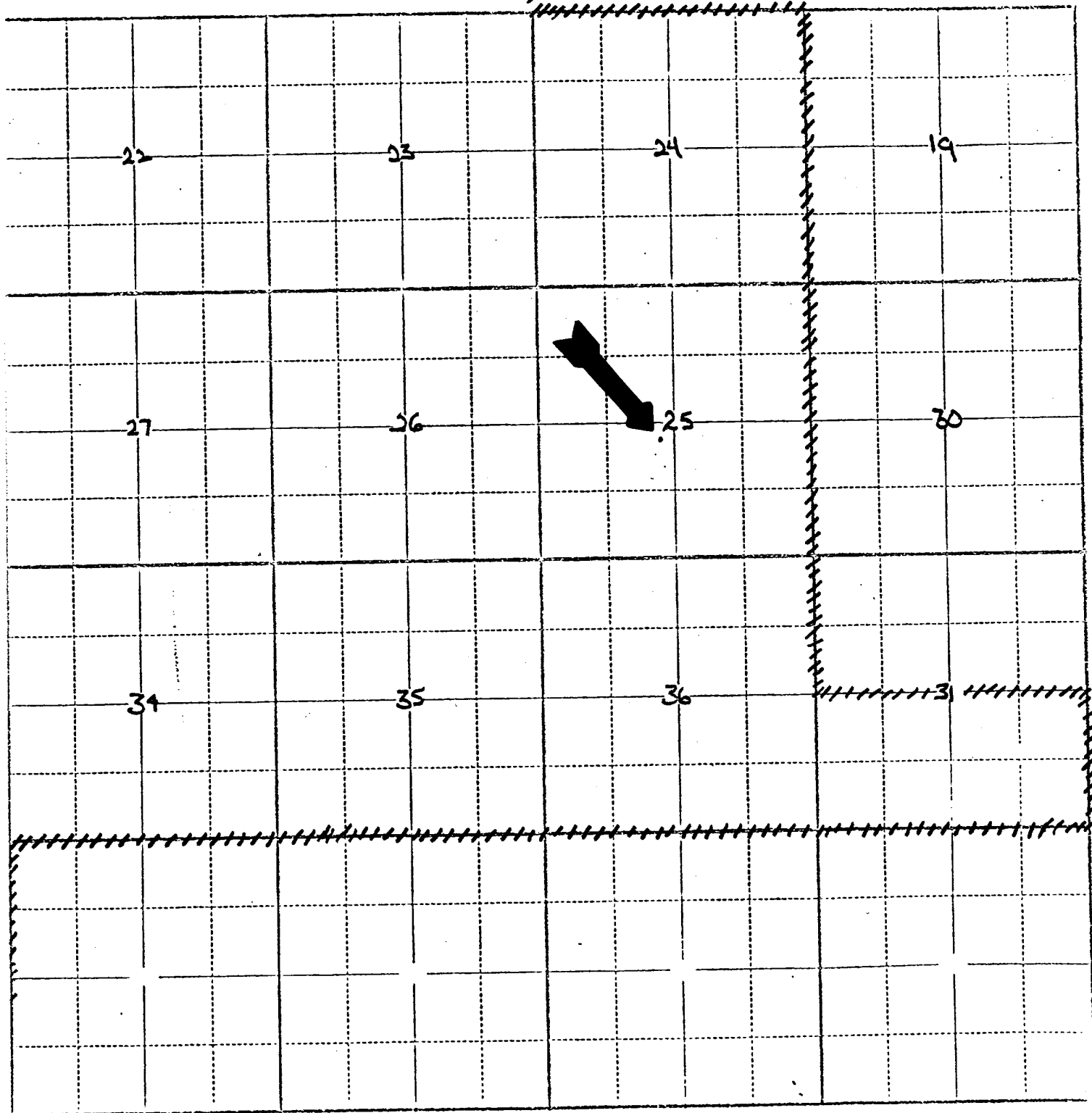
B. O. Jones  
Name and Title

Fish Services

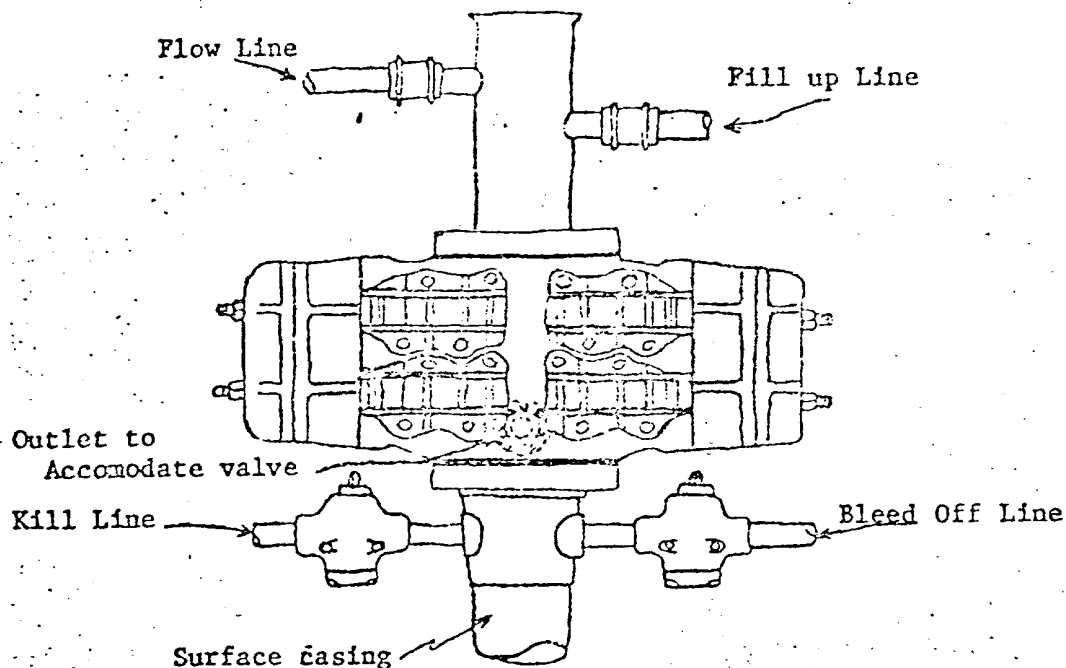
Adm

Township, T28N Range, R11-12W County, SAN JUAN State, N. Mexico

/// R12W | R11W







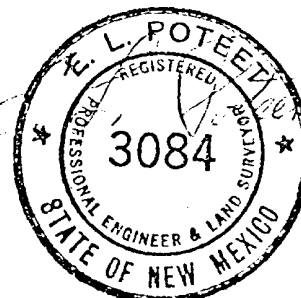
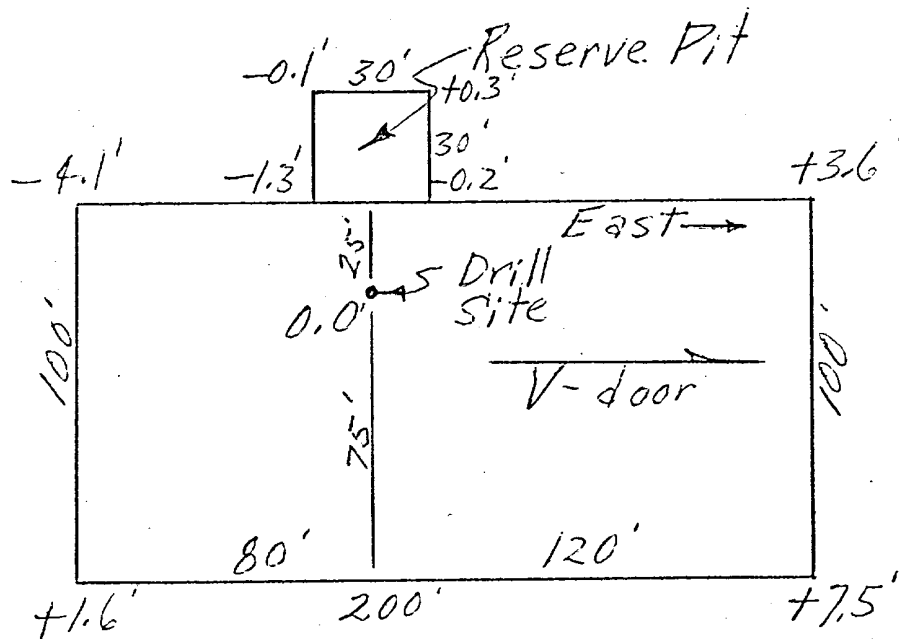
Blowout preventer is Shaffer double hydraulic equipped with drill pipe rams in the top and blind rams in the bottom.

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.

Energy Reserves Group, Inc.  
GCU-PC # 281  
2480' FS & 2360' FW Sec 25-28N-12W  
San Juan County, New Mexico



July 12, 1979

