Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-22288

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Energy Reserves Group, Inc.

3. ADDRESS OF OPERATOR
P. O. Box 3280, Casper, WY 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
NW SE NE - 1700' FNL, 810' FEL
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
NM-019414

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
USA - Stanolind

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat - Nacimiento

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 20-T32N-R12W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 7 miles NW of La Plata, NM

12. COUNTY OR PARISH: San Juan
13. STATE: N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 120' **
16. NO. OF ACRES IN LEASE: 536.84
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.
19. PROPOSED DEPTH: 1320'
20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5950' K.B. 5939' GRD.

22. APPROX. DATE WORK WILL START*
December 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#	1320'	90 sks

Energy Reserves Group, Inc. proposes to drill the above described well with rotary tools from surface to T.D.. It is anticipated that the Nacimiento formation will be gas productive. May possibly run 1 DST. Copies of logs run will be furnished upon well completion. A series 600 or 900 BOP will be used during operations. The gas is undedicated. The estimated tops are as follows: Nacimiento 1260'
T.D. 1320'

** Nearest well completed in Blanco-Mesaverde.

Gas not dedicated

RECEIVED
DEC 6 1976

RECEIVED
DEC 7 1976
OIL CON. COM.
DIST. 3

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 Dean B. Barnes TITLE Dist. Prod. Engr. - RMD DATE 12-1-76

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Okay

*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	Lease	Well No.
Energy Reserves Group, Inc.	U.S.A. Stanolind	1

Unit Letter	Section	Township	Range	County
H	20	32 North	12 West	San Juan

Actual Footage Location of Well: 1700 feet from the North line and 810 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5939	Nacimiento	Wildcat	160 — Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

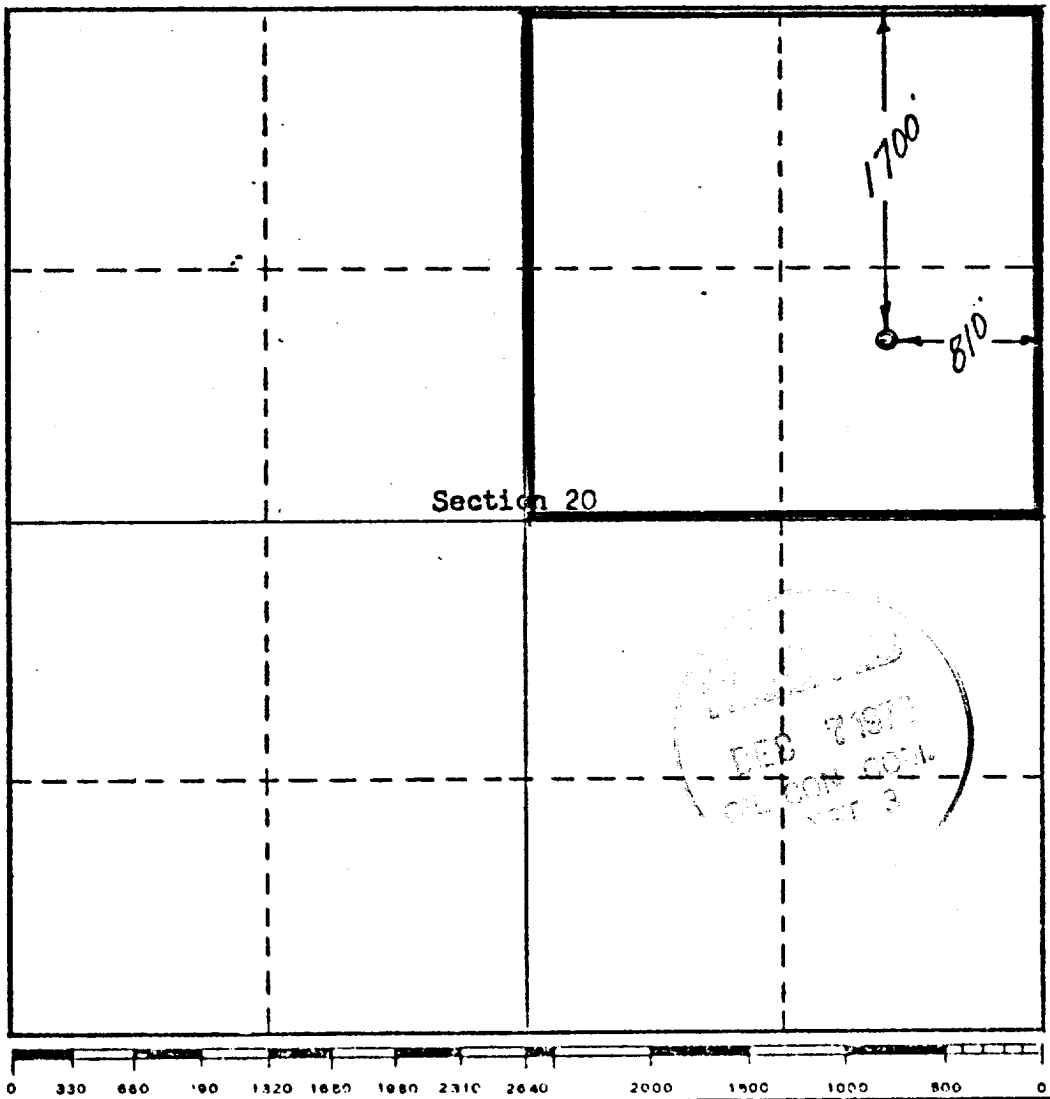
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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: Leary B. Barnes

Position: Dist. Prod. Engr. - RMD

Company: Energy Reserves Group, Inc.

Date: 12-1-76

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: November 10, 1976

Registered Professional Engineer and Land Surveyor

Certificate No. 3001

ENERGY RESERVES GROUP, INC.

USA Stanolind #1

Attachment with Form 9-331-C

1. The geologic name of the surface formation is the Nacimiento.

2. The estimated tops of the important geologic markers in this well are:

   Nacimiento - 1260'
   T.D. - 1320'

3. It is anticipated that the Nacimiento 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 4-1/2", 9.5# secondhand casing at 1320 '+, (in a 6-1/4" hole) and cement with 90 sks cement.
   Est. cement top at 760 '+.

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. One DST may be run . 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 estimated it will take 5 days to drill and log this well.

ENERGY RESERVES GROUP, INC.
USA Stanolind #1

NTL-6

1. **Existing Roads:**

   A. See attachment #2
   B. Approximately 7 miles from La Plata, New Mexico.

   C. Covered in A and B above.
   D. Not applicable - development well.
   E. See attachment #2.
   F. Existing raods are in good condition.
   No improvement of maintenance required.

2. **Planned access roads:**

   It will not be necessary to construct access roads.
   Field road is adjacent to location.
   (1) Width of driving area limited to 16'±.
   (2) Flat
   (3) NR
   (4) NR
   (5) NR
   (6) NR
   (7) NR

3. **Location of Existing Wells:**

   Wells indicated on Attachment #2 are producing wells operated by Energy Reserves Group, Inc.
   (1) NA
   (2) NA
   (3) NA
   (4) NA
   (5) NA
   (6) Prod. gas well,NWSENE Sec.20, Fed. Gas Com, see attach. #2
   (7) NA
   (8) NA
   (9) NA

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 well. A meter house will be required at each well.

5. Location and type of Water Supply:

A. Water will be obtained and hauled by truck from La Plata River, 3-1/2 miles South and 4 miles West of location

B.

C.

6. Source of Construction Materials:

A. NR
B. NR
C. NR
D. NR

7. Methods for Handling Waste Disposal:

(1), (2), (3) - Reserve pit at drill site will be used to contain these items.
(4)
(5) A small deep trash pit will be dug at drill site location.
(6) Area will be policed up after drilling rig moves out and debris placed in trash pit.

8. Ancillary Facilities:

None Planned

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 - very flat some sage brush - fair amount of grass.

(2) Grazing land.

11. Other Information: -CONTINUED-

(3) No water or occupied dwellings nearby.

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

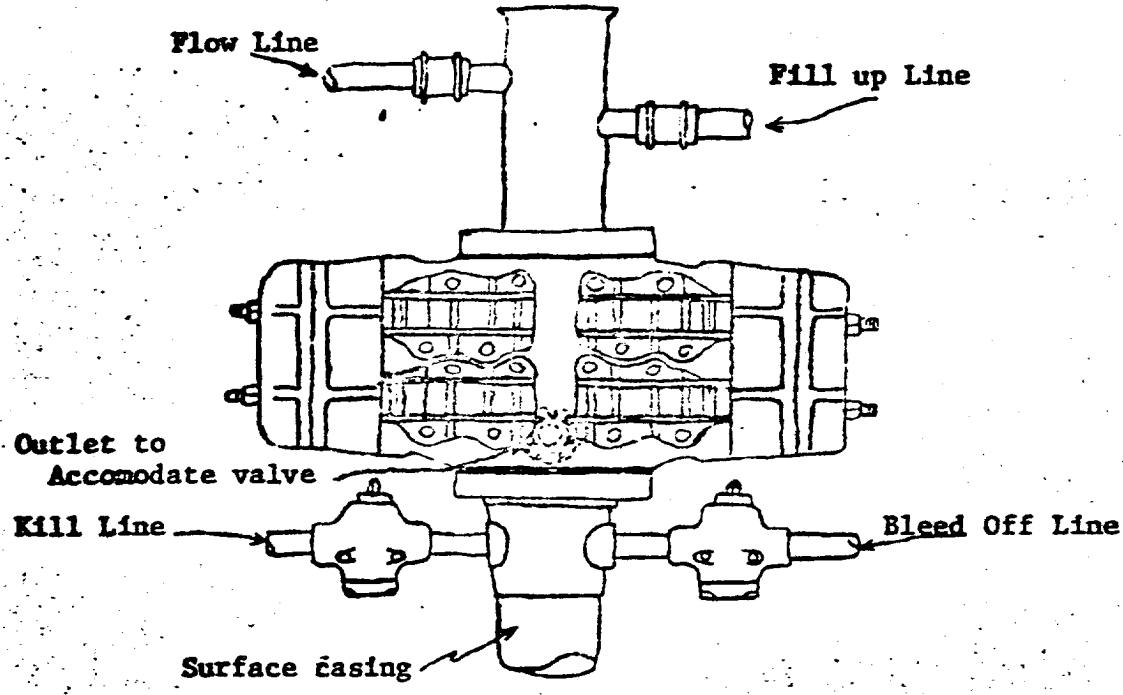
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

10-5-76
Date

N Durham Area Foreman
Name and Title

Energy Reserves Group, Inc.
U.S.A. Stanolind #1

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.

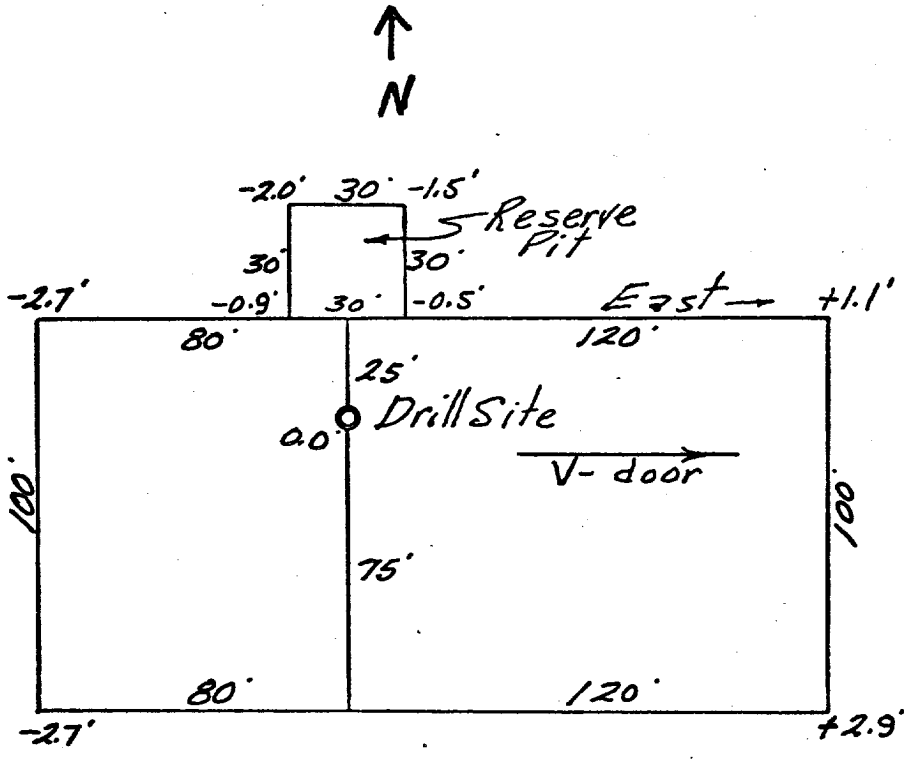
Energy Reserves Group, Inc.
U.S.A. Stanolind #1

Attachment #2

Energy Reserves Group, Inc.
U.S.A. Stanolind #1

Attachment #3

Energy Reserves Group, Inc.
U.S.A Stanolind No. 1
1700' FN & 810' FE Sec 20-32N-12W
San Juan County, New Mexico



Energy Reserves Group, Inc.
U.S.A. Stanolind #1

Attachment #4