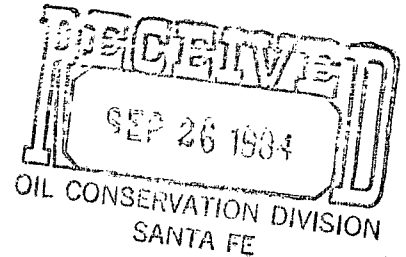


Energy Reserves Group, Inc.  
P.O. Box 3280  
Casper, Wyoming 82602-3280  
307 265 7331



September 20, 1984



State of New Mexico  
Oil & Gas Conservation Division  
Box 2088  
Santa Fe, NM 87501

Re: Request for Approval of Unorthodox  
Well Location  
Gallegos Canyon Unit  
San Juan County, New Mexico

NSL - 190#2  
RULE 104FI  
Release OCT. 16, 1984

Gentlemen:

Energy Reserves Group, Inc. respectfully requests approval of this below referenced well location based on topographical conflicts.

Gallegos Canyon Unit No. 340  
1,370' FNL, 475' FWL  
Sec. 24, T29N-R13W  
San Juan County, New Mexico  
Fee Lease

NW/4 DEDICATED

WEST KUTZ POOL

It is proposed to drill the subject well to test the Pictured Cliffs Formation at a depth of 1,835'. The well site is located on lands owned by Mr. Thomas Bolack of Farmington, New Mexico. The area is currently being cultivated and is immediately adjacent to a fruit orchard. The site was moved to minimize surface conflicts associated with the farming operation.

We would appreciate your consideration and review in granting approval of this request.

Very truly yours,

ENERGY RESERVES GROUP, INC.

William J. Fiant  
Administrator, Field Services

WJF/kw

Energy Reserves Group, Inc.  
P.O. Box 3280  
Casper, Wyoming 82602-3280  
307 265 7331



September 21, 1984

Amoco Production Company  
501 Airport Drive  
Farmington, NM 87401

Re: Notification of Proposed Unorthodox  
Well Location  
Gallegos Canyon Unit  
San Juan County, New Mexico

Gentlemen:

Please consider this letter as notice that Energy Reserves Group, Inc. proposes to drill the below listed unorthodox well location.

Gallegos Canyon Unit No. 340  
1,370' FNL, 475' FWL  
Section 24, T29N-R13W  
San Juan County, New Mexico

The subject well is to be drilled to test the Pictured Cliffs formation at 1,835' total depth. In accordance with the New Mexico Oil Conservation Division we are requesting your waivers of this well site due to topographical conflicts. The well site is located on lands belonging to Mr. Tom Bolack of Farmington, New Mexico. The area is surrounded by several obsticals which influenced the placement of the well. Your well No. 106-E is immediately north, a large chain link fence lay immediately to the south and west and a large man made reservoir lays to the east. Mr. Bolack has approved the placement of this well.

We would very much appreciate your consideration of this request. If you have no objections, please notify the Oil Conservation Division as soon as convenient. If you do have any objection, please let me know and also, enter an objection to the Oil Conservation Division within 20 days of receipt of this letter.

Very truly yours,

ENERGY RESERVES GROUP, INC.

A handwritten signature in dark ink, appearing to read "William J. Fiant".

William J. Fiant  
Administrator, Field Services

WJF/kw

P 507 975 873

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED--  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Amoco Production Company	
Street and No. 501 Airport Drive	
P.O., State and ZIP Code Farmington, NM 87401	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982

CERTIFIED

P 507 975 873

MAIL

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

<p>② SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.</p> <p>(CONSULT POSTMASTER FOR FEES)</p> <p>1. The following service is requested (check one).  <input checked="" type="checkbox"/> Show to whom and date delivered ..... \$  <input type="checkbox"/> Show to whom, date, and address of delivery .. \$                  2. <input type="checkbox"/> RESTRICTED DELIVERY                  (The restricted delivery fee is charged in addition to the return receipt fee.) ..... \$  <b>TOTAL \$</b> </p>	
<p>3. ARTICLE ADDRESSED TO: Amoco Production Company 501 Airport Drive Farmington, NM 87401</p>	
<p>4. TYPE OF SERVICE:  <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED  <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COG  <input type="checkbox"/> EXPRESS MAIL                  ARTICLE NUMBER                  P 507 975 873             </p>	
<p>(Always obtain signature of addressee or agent)                  I have received the article described above.                  SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent             </p>	
<p>5. DATE OF DELIVERY</p>	<p>POSTMARK</p>
<p>6. ADDRESSEE'S ADDRESS (Only if requested)</p>	
<p>7. UNABLE TO DELIVER BECAUSE:</p>	<p>7a. EMPLOYEE'S INITIALS</p>

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-101  
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease  
STATE ☐ FEDERAL ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name Gallegos Canyon Unit 8. Name of Lease Name	
2. Name of Operator Energy Reserves Group, Inc.		9. Well No. 340	
3. Address of Operator P. O. Box 3280; Casper, WY 82602		10. Field and Pool, or Wildcat West Kutz Pictured Cliffs	
4. Location of Well UNIT LETTER <u>E</u> LOCATED <u>1,370</u> FEET FROM THE <u>North</u> LINE AND <u>475'</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>24</u> TWP. <u>29N</u> RGE. <u>13W</u> NMPM		12. County San Juan	
19. Proposed Depth 1,835'		19A. Formation Pictured Cliffs	
20. Rotary or C.T. Rotary		21. Elevations (show whether DT, RT, etc.) 5335' GR	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor James	
22. Approx. Date Work will start October 1, 1984			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	20#	120'	Cement to surface	
6-1/4"	4-1/2"	9.5#	1285'	Cement to surface	

It is proposed to drill the above referenced well with rotary tools from the surface to T.D.. Anticipated zone of completion is the Pictured Cliffs formation.

Estimated Tops: Valley Fill - surface  
Kirtland - 5'  
Fruitland - 905' gas  
Pictured Cliffs - 1,187' gas  
T.D. - 1,285'

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title Administrator, Field Services Date September 20, 1984

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

## OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

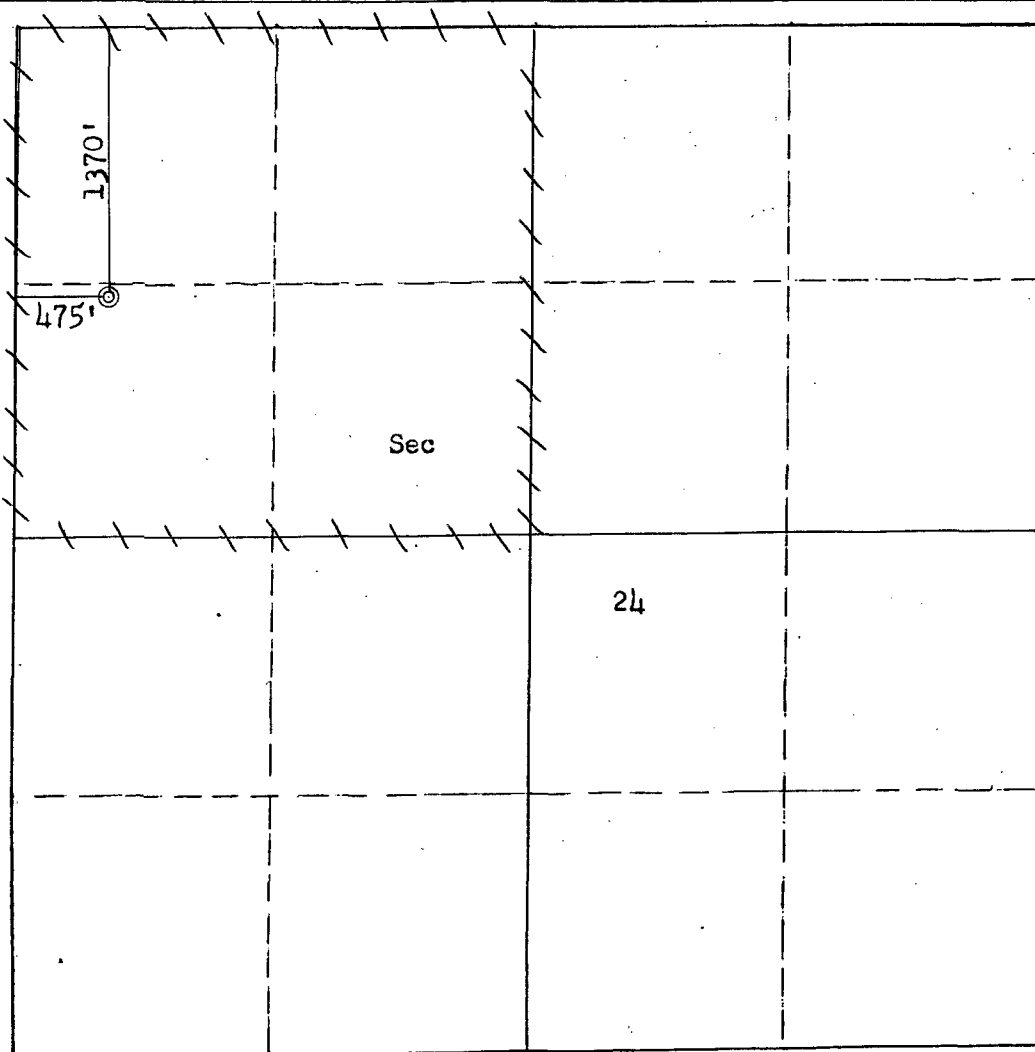
Operator <b>ENERGY RESERVES GROUP</b>			Lease <b>GALLEGOS CANYON UNIT</b>			Well No. <b>340</b>		
Unit Letter <b>E</b>	Section <b>24</b>	Township <b>29N</b>	Range <b>13W</b>	County <b>San Juan</b>				
Actual Footage Location of Well: <b>1370</b> feet from the <b>North</b> line and <b>475</b> feet from the <b>West</b> line								
Ground Level Elev. <b>5335</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 Unitization

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.



Scale: 1"=1000'

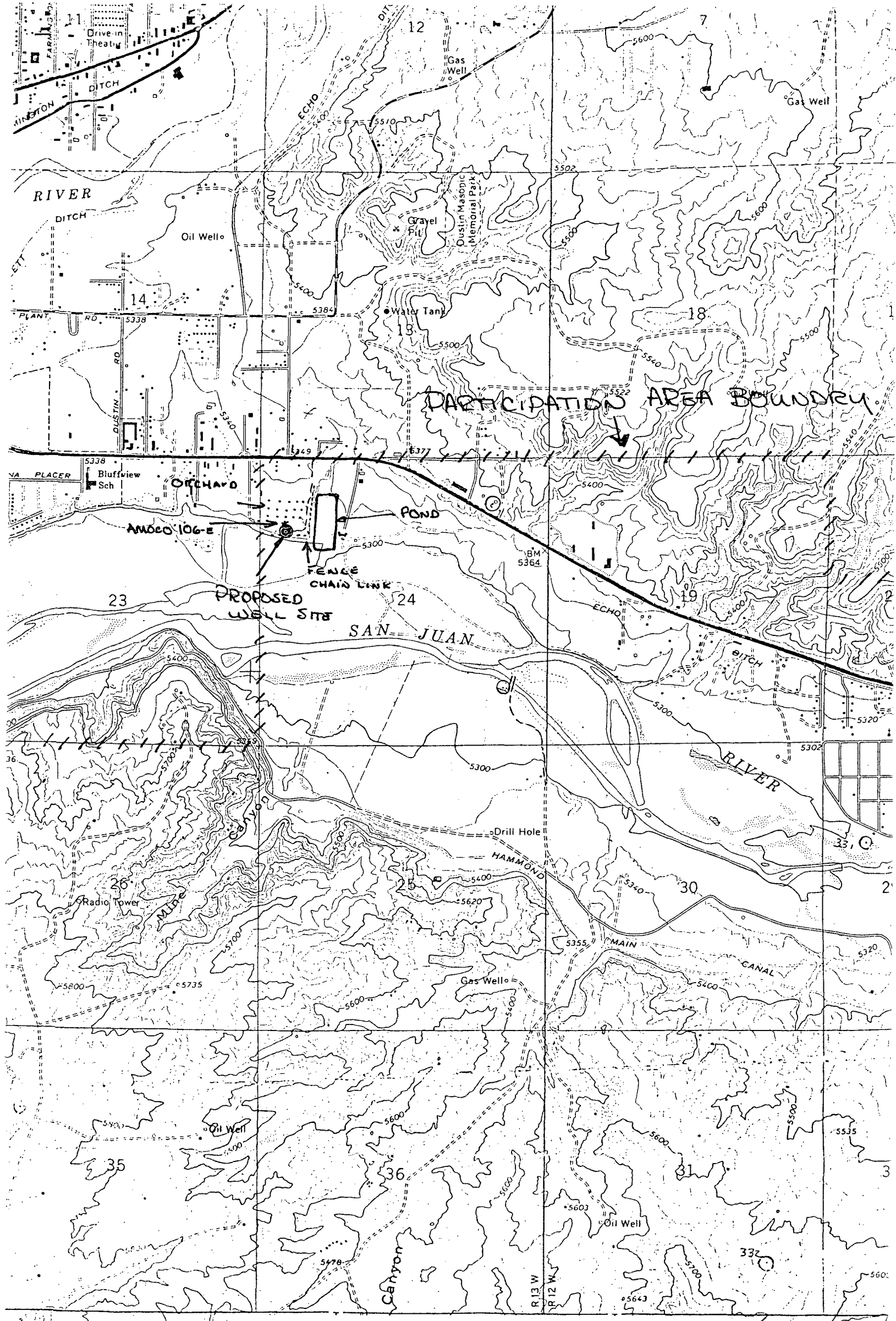
## CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name William J. Fiant  
Position Administrator, Field Services  
Company Energy Reserves Group, Inc.  
Date September 20, 1984

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 12, 1984  
Registered Professional Engineer and Land Surveyor  
Fred B. Kerr Jr.  
Certificate No. 3950



Vicinity Map for  
ENERGY RESERVES GROUP #340 GALLEGOS CANYON UNIT  
1370'FNL 475'FWL Sec. 24-T29N-R13W  
SAN JUAN COUNTY, NEW MEXICO